WORKER CO-OPERATIVES AS A RESPONSE TO UNEMPLOYMENT: THE IMPACT UPON PARTICIPANTS

JANET ELAINE HANNAH

THESIS SUBMITTED TO THE
COUNCIL FOR NATIONAL ACADEMIC AWARDS
IN PARTIAL FULFILMENT OF THE REQUIREMENTS OF
THE DEGREE OF DOCTOR OF PHILOSOPHY

DEPARTMENT OF APPLIED SOCIAL SCIENCE
NEWCASTLE UPON TYNE POLYTECHNIC

AUGUST 1989

Acknowledgments

My thanks are due to the many people who have provided advice and support during the preparation of this thesis. The research project on which it is based was financed for three years by Newcastle Polytechnic. The participants in the co-operatives sacrificed their own time to contribute towards the study. Without their patience and tolerance of my demands upon them the research could never have been conducted. My supervisors Dr. Mary Mellor and John Stirling invested an enormous amount of time and faith during what, at times, seemed like an interminable process. Thanks also to my parents for always having confidence in me and to the students of Ruskin college who, in the final stages, provided copious amounts of beer and good humour. Finally, Al Rainnie has provided an invaluable combination of advice and encouragement throughout. Without his support, this thesis would never have been completed.

Contents

List of Figures and Tables

Abstract

Worker Co-operatives as a Response to Unemployment: the Impact upon Participants

Janet Hannah

This thesis explores the impact of co-operative working upon feelings of personal and political efficacy and political consciousness amongst participants in job creation worker co-operatives.

Based upon a longitudinal panel study of four job creation co-operatives in Scotland and the north east of England, the research monitors the factors influencing their commercial and organisational development. How this influences the scope for, and achievement of, personal change is highlighted.

The research concludes that the job creation worker co-operative is not, per se, a vehicle for social and personal change in a capitalist society. Severe commercial pressures limit the scope for autonomous control identified as fundamental to the development of feelings of personal and political efficacy. Worker co-operatives are not identified by participants as part of a wider movement for social change and the experience of working within them has a negligible effect on political consciousness.

Worker Co-operatives as a Response to Unemployment: the Impact upon Participants

Introduction

A producer or worker co-operative is commonly defined as a business owned and controlled by those who work within it. (Cockerton and Whyatt 1985) In contrast with conventional firms, power and responsibility lies ultimately with the worker/members rather than shareholders and managers. In reality, worker ownership and control is not absolute, but a question of degree. According to Cornforth et al's more comprehensive definition:

> "a worker co-operative is a business in which the workers retain a majority control of the enterprise; control is exercised democratically on the basis of one person, one vote; membership is open as far as possible to all workers; and there are limits on the returns to capital invested in the enterprise"
> (Cornforth et al 1988 p3)

Open membership, democratic control and limited return on capital are three of the six universal principles of co-operation upheld by the International Co-operative Alliance (ICA). The other three cover a commitment to social and educational aims, the equitable distribution of surplus and co-operation between co-operatives. The rationale behind each can be summarised as follows:

1. **Limited Return on Capital:** Fundamental to this principle is the notion that ownership bestows control and, consequently, any money invested in the co-operative

by members or outsiders should not buy voting power. Instead, money invested should be rewarded at a fixed rate of interest. Translating this principle into practice can, however, present major obstacles to worker co-operatives seeking significant amounts of capital. The difficulties this has presented for capital-intensive co-operatives has led to the relaxation of this principle in an alternative set of rules devised by the national Co-operative Development Agency (CDA).

2. **Open Membership:** This stipulates that co-operative employment - not merely the offer of a job, but also the right to full membership - should be made available irrespective of political or religious affiliations. Literally interpreted, however, this principle could provide an obstacle for many of the disadvantaged groups which co-operation seeks to serve. At times, co-operatives have been established by oppressed groups - trade unionists and women, for example - who have sought strength in their shared identity and experience of oppression. Their membership has therefore remained deliberately exclusive.

3. **Democratic Control:** Control by the workforce is the end for which restrictions on share ownership and equity investment ostensibly provides the means. One member, one vote is the mechanism by which decision-making power is shared equally amongst the membership. In practice, the extent to which this is achieved will be influenced by a

number of factors including the existence of a management structure and the willingness and ability of the membership to participate.

4. **Social and Educational Aims:** For Buchez and other early architects of co-operation, it represented the rejection of traditional capitalist values and relations of production. (Cole 1953) The gradual replacement of capitalism with some form of society based on co-operation has been a consistent theme behind co-operative philosophy ever since. To achieve this, practitioners have a duty to embrace social aims designed to benefit the wider community within which they operate and to educate the public about the benefits of co-operation. Precisely what constitutes "social aims" is open to interpretation: it could encompass anything from providing jobs in an area of high unemployment to donating money to community causes. A proportion of the co-operative's surplus should be set aside to fulfill these social objectives.

5. **The Equitable Distribution of Surplus:** Bearing in mind that capital is rewarded at a fixed rate of interest, any decision about the distribution of a surplus (ie profit) rests with the membership. This should be divided, not necessarily equally, but on an equitable basis, between the latter. Thus, for example, long-serving members who perhaps made sacrifices in the form of "sweat equity" during difficult times should be rewarded. Financial support should also, if possible, be made

available to new and struggling co-operatives. Like other forms of business, it is not always the case that co-operatives make a profit, sometimes they lose money and this leads in effect to a situation of common ownership of, and responsibility for, debt.

6. **Co-operation Between Co-operatives** Co-operation seeks to undermine the capitalist economy by spreading its presence and influence within it. Observers from Marx and Proudhon onwards have recognised that if they are to flourish into a significant force, co-operatives will need to organise themselves into federations to challenge the dominance of conventional capitalist business.(Mellor et al 1988, Bennett 1984) It is significant that in Italy, the capitalist country with the strongest co-operative sector, federations are long-established and successful. In Britain, where the co-operative movement is tiny by comparison, attempts at federation have proved largely unsuccessful. (Thornley 1981, Mellor et al 1988)

Worker Co-operatives As Agents of Change

Implicit within the six principles outlined above is the notion of worker co-operation as a **transformational** force designed to promote change in society. (Lockett 1980) Optimism of this kind is illustrated in the following quote from the Labour party's 1980 pamphlet on worker co-operatives:

> "We believe that the co-operative form of organisation offers a true socialist approach to economic planning and development. While we may not achieve

> socialism in Britain overnight.....
> co-operatives offer the chance of
> establishing local examples of socialism
> in our current mixed economy, and,
> better still, give us an ever-widening
> circle of workers, experienced and trained
> in self-management and with the practical
> knowledge to help extend the frontiers of
> socialism. Not only will they know all
> too well the deficiencies of capitalism
> and private enterprise but can guide
> us more safely till we reach the shore
> of the socialist mainland".

Supporters of worker co-operatives as a transformational force assume that the potential changes they induce take three forms: economic, political and personal. The vision of co-operatives as vehicles for economic and political change, the "islands of socialism" referred to in the above quote, has been described by Greenberg as the "theory of escalation" and argues that the direct governance of the production process by workers will ultimately result in a class-conscious struggle for socialism. (Greenberg 1981)

Debate about the contribution which worker co-operatives make to the economic and political transformation of society has, however, been conducted at a largely theoretical level. (Marx 1985, Mandel 1975, Nicholls 1980, Tomlinson 1982) Empirical studies of co-operative size, age and profitability tell us little about the accompanying impact which they have upon society generally and the individuals working within them. (Jones 1975, Jefferis 1986) Research conducted by Oliver (1983, 1986) and Kohn and Schooler (1981) into the psychological motivations of participants is interesting, but focuses

upon motivations for joining co-operatives rather than the extent to which experience of the latter actually effects personal and political change.

Surprisingly little empirical research has been undertaken to test the extent to which co-operatives do, in fact, exercise a transformational role in a capitalist society. Interestingly, the few studies which have been conducted have tended to conclude by **challenging** the notion of co-operatives as a transformational force. (Greenberg 1981, 1983, Webb and Webb 1914, Wajcman 1983) These studies have tended to focus upon the economic and political impact of worker co-operatives on the societies in which they operate and on the participants working within them. Less attention has been directed towards the extent to which participants found the experience of co-operative working conducive to the enhancement of feelings of personal and political efficacy. The absence of empirical studies of the latter conducted in relation to worker co-operatives is surprising in view of the fact that, in theory, the co-operative workplace provides the ideal environment for its enhancement. (Almond and Verba 1972, Fox 1971, Pateman 1970)

The debate about the significance of worker co-operatives as agents of social and personal change in a capitalist economy is pertinent in contemporary Britain where the number of co-operatives has grown from thirty six in 1976 to over one thousand by 1985. (Jefferis 1986)

This spectacular increase is attributable largely to the growth of so-called job creation co-operatives which, as the name suggests, are created primarily to generate employment. Consequently, thousands of British workers have, many for the first time in their working lives, the opportunity to participate in a working environment which, in theory, represents a challenge to capitalism and affords the opportunity to enhance feelings of personal and political efficacy.

This thesis seeks to contribute towards the debate about the significance of job creation worker co-operatives as agents of social and personal change.

Fundamental to the debate about the potential of the co-operative environment is the assumption that they are identified by the workforce as being, in principle and practice, distinct from the conventional capitalist firm. Otherwise, it cannot be argued that it is the **co-operative form** which presents unique opportunities.

To monitor the extent to which workers identify with, and implement, co-operative principles is therefore an important feature of this study. It is referred to here as "co-operative consciousness" and defined as:

> "the degree of commitment to the principles and practice of co-operative working and identification with a wider movement".

Through an in-depth, longitudinal study of four job creation co-operatives, the research programme was designed to monitor the development of co-operative consciousness and the impact of co-operative working upon

participants feelings of personal and political efficacy and political consciousness. It was recognised from the outset that this can only be understood within the wider economic and political context. As the research progressed, the significance of outside factors impacting upon the co-operatives proved so central that the study, intended as a set of panel interviews, effectively became an ethnography of co-operative life. Ethnography has been defined as:

> "the direct observation of the activity of members of a particular social group, and the description and evaluation of such activity".
> (Abercrombie, Hill and Turner 1988)

The Organisation of the Thesis

Much of the existing literature is on worker co-operatives is flawed by its implicit over-estimation of the homogeneity of worker co-operatives. We begin in chapter one by redressing this through the presentation of co-operative typologies and the evidence of heterogeneity. Chapters two and three go on to explore the literature relating to the potential of worker co-operatives as agents of social and personal change. Chapter two also introduces us to the arguments of those challenging, from socialist and other perspectives, the notion that co-operatives are indeed transformational.

In chapter four, we explore the political and economic circumstances surrounding the resurgence in support for, and the establishment of, worker co-operatives from the

late 1970s onwards. Having established that this was fuelled largely by economic pragmatism allied with a limited vision of co-operatives as harbingers of the new jerusalem, chapter five returns to the debate about the scope for autonomous control which job creation co-operatives are likely to exercise in a capitalist economy.

Chapter six introduces the four case studies selected for this research. Two are cut-make and-trim clothing co-operatives, two operate in the property maintenance markets. Two, one from each market sector, are located in Scotland, whilst the others are based in the north east of England. The evidence of the impact of co-operative working upon the participants is presented in chapters seven and eight within the context of the scope for, and exercise of, autonomous control within the co-operatives.

Chapter One

Models of Worker Co-operation

Introduction

The fundamental question addressed in this thesis is the extent to which job creation worker co-operatives act as vehicles for change. Implicit within this is the belief that co-operatives are distinguishable from conventional workplaces and offer a unique working environment, based on their democratic systems of ownership and control.

Worker co-operatives in Britain are not, however, a homogeneous phenomenon and are commonly categorised by type, based on their circumstances of origin. This chapter begins by exploring this common co-operative typology and, noting its limitations, goes on to explore other typologies based on alternative criteria. Clarke's model of the contradictory tensions faced by co-operatives operating in a capitalist economy highlights the extent to which they must reconcile a variety of conflicting demands. This introduces a discussion of the "ideal type" co-operative and the position of job creation co-operatives in relation to it.

Typology by Circumstances of Origin

The typology developed by Paton (1978) and expanded by Cornforth (1983) has four categories:

1. conversions/common ownerships
2. alternative
3. phoenix/defensive
4. job creation

The development of these categories is:

> "based on the observation that the characteristics of new co-operatives were heavily influenced by the way in which they were formed and the objectives of their membership". (Cornforth 1983 p167)

Each is summarised below.

1. Conversion Co-operatives/Common Ownerships:

Conversion co-operatives are well-established, usually family-owned firms, which the owners decide to hand over to the workforce. This is generally achieved through the creation of a trust fund in which shares allocated to the workforce are held, hence the term common ownership. In contrast with other types of co-operative, employees in common ownerships do not need to buy a nominal share (usually 1).

The Scott Bader commonwealth is the most famous British co-operative of this kind. A successful chemicals company, it was converted to a common ownership in 1957 by its Quaker owner, Ernest Bader. Later conversions were also inspired by religious belief: a family-owned chain of jewellery shops in the West Midlands and a light engineering firm in Buckinghamshire. (Thornley 1981)

The most recent conversion is Baxi heating, previously owned by the Baxendale family. This common ownership has nine hundred employees.(SCDC nd)

It is worth noting that common ownerships are different from the growing number of situations in which management

buy the firms for which they work. These management buy-outs may include some provision for worker shareholding, as in the example of the British Freight Corporation. They are not, however, formed on the basis of the principles of worker co-operation as listed in the introduction.

Research conducted in conversion co-operatives indicates that they tend to be commercially successful, but experience low levels of active democracy.(Paton 1978, Paton and Lockett 1978) As established firms, they have survived the early years when a business is most likely to fail and will have developed access to finance and markets. They will also have evolved a management structure and systems of authority, the existence of which can inhibit the transition of the company from a conventional one to a workers' democracy. Paton has argued that workers may not see any obvious changes: the managers will remain and workers will have difficulty in embracing their new identity as ultimate owners and decision-makers.(Paton 1978)

Conversion co-operatives inspired by religious belief can be seen as the descendents of the Christian socialist co-operative experiments of the last century. Both represent attempts to translate their ideal of "Christian values" into practice through sharing wealth and influence in pursuit of greater economic equality and social harmony. Although not sharing the religious zeal, the

alternative co-operators also have a vision of worker co-operation as a vehicle for the achievement of a more humane society.

2. Alternative Co-operatives

Alternative co-operatives are so-called because they are founded by people who are disenchanted with existing capitalist economic, political and social relations. They seek an alternative way of life which is not based on greed and exploitation. Employment, therefore, is not undertaken on the basis of making money and achieving power, but of providing a service to the community and achieving self-actualisation. Cornforth identifies three objectives which are fundamental to the alternative co-operative:

> -producing for social need, rather than profit
> -a belief in the importance of the product or service they are providing
> -a firm commitment to democratic control and the avoidance of managerial hierarchies
> (Cornforth 1983)

In the 1970s, the number of alternative co-operatives grew rapidly in the wake of the 1960s counter-culture. Characterised by a well-educated and middle-class membership, they established themselves in pioneering or socially useful market sectors such as wholefoods, bicycle repair or radical books. Some penetrated more traditional markets such as building and printing. More recently, the number of professional co-operatives including teaching, architecture and legal practices has been increasing.

According to a 1980 study, professional alternative

co-operatives tend to pay good wages and offer conditions at least comparable with employees in conventional firms in the same market. This was not true of other alternative co-operatives. The author concluded that:

> "most of these "alternative" co-operatives appear to be surviving on a combination of zeal and help from social security". (Aston 1980 p.21)

Cornforth urges caution in accepting this conclusion. He argues that whilst it might be true, most of the co-operatives in the study were still very new and a period of low wages and long hours is not uncommon as workers struggle to build the co-operative. (Cornforth 1983) Later, when the business is more successful, this "sweat-equity" will be repaid in the form of better wages and conditions. It must also be borne in mind that alternative co-operatives reject the traditional criteria of success. Profit is not the ultimate motive and profit-maximising strategies such as the replacement of manual tasks with faster machines, for example, may be rejected in favour of more satisfying, traditional work practices.

Similarly, many alternative co-operatives have chosen to pioneer new markets such as wholefoods and radical books. These markets may take time to develop and, once established, the co-operatives will face competition from conventional firms keen to move in once somebody else has taken the risks and proved the demand. When this happens, the co-operatives begin to experience the problems of

survival in a highly competitive market. The latter is the fundamental difficulty facing the phoenix (or defensive) and job creation co-operatives. Both experienced a resurgence in interest and numbers after unemployment began to rise in the 1970s. Since worker co-operation as a response to unemployment is the central focus of this thesis, these two categories require more than just a definition. We must understand the political and economic circumstances in which they were rediscovered.

3. Phoenix and Job Creation Co-operatives

The establishment of worker co-operatives as a vehicle for creating employment is not a new phenomenon, but was also popular at the turn of the present and previous centuries. Some were established by Christian philanthropists, others by trade unions and some independently by workers themselves. (Thornley 1981)

As unemployment grew during the 1970s and 1980s, interest in the employment creating, or saving, potential of worker co-operatives was revived. The circumstances surrounding this rediscovery are explored in chapter four, but the result was the rapid growth in so-called phoenix and job creation co-operatives from the late 1970s onwards.

Phoenix co-operatives are so called because they rise from the ashes of a failed business. The alternative title, defensive, denotes their essentially reactive nature. The basic difference between phoenix and job

creation co-operatives is the fact that the former attempt to continue, in some form, the previous employer's business. They are likely to remain in the same premises, producing the same product with (some or all of) the previous workforce. Job creation co-operatives, meanwhile, are new businesses founded by people who may or may not have previously worked together, but the new co-operative does not have an organic link with a departing conventional company. There are other immediate problems arising from the origins of job creation co-operatives. Rather than representing a deliberate, ideological commitment, phoenix and job creation co-operatives are often a last-ditch attempt to secure employment.

These co-operatives confront signficant problems from the outset. Previous owners have pulled out and no alternative buyer has been found, suggesting that the business is not viewed as commercially viable by the business community. If the company has been experiencing problems or running down the workplace for some time, it may be under-capitalized or the product out-dated.

Irrespective of the degree of ideological motivation accompanying their foundation, pheonix and job creation co-operatives have come into existence primarily to create or maintain employment. Contrast this situation with the conversion and alternative co-operatives' less pressurised circumstances of origin. Case studies have highlighted the particularly harsh economic circumstances under which

many phoenix and job creation co-operatives struggle to survive. (Eccles, 1981, Tynan 1980, Emerson 1982, Wajcman 1983) We will return to this issue later when we examine Clarke's model of the contradictory tensions in co-operatives.

The above typology is based on co-operative origins, informing us of the motivations present at the outset and inferring how these might be translated into subsequent practice. For example, alternative co-operators are likely to have high expectations of participating in democratic decision-making, job creation co-operators less so. But co-operatives are not static organisations: there may be changes in, for example, the workforce or the product and this may facilitate a reorientation of the co-operative's goals and practices.

Recognition of the fact that co-operatives alter over time is central to the analysis developed by Beatrice and Sydney Webb. (1914) As we shall see in the following chapter, they pessimistically concluded that co-operatives were inherently unstable and likely to degenerate. At this stage, however, it is their basic typology that merits attention.

Writing in 1891, before her marriage to Sydney Webb, Beatrice Potter developed a typology of co-operatives based on the variety of practices she encountered in her research into British worker co-operatives of various ages. She identified fifty four "co-operative manufacturing associations" of "perplexing

variety". Nevertheless, "by studiously eliminating minor deviations", (Potter 1891 p138) she reduced them to four categories, as follows:

Class 1: Associations of workers formed on the Christian Socialist model*; selecting the committee of management from among their own numbers, and employing members only.

Class II: Associations of workers of like character, but which have bound themselves over to, or had imposed upon them, an unremovable governor or unremovable committee men.

Class III: Associations of workers governing themselves, but employing outside labour - practically, small masters.

Class IV: Societies in which outside shareholders and Stores supply the bulk of capital, but in which the workers are encouraged or obliged to take shares, although they are disqualified from acting on the committee of management.

(Potter 1891 p139)

Potter identified only eight co-operatives which fell into the first category, and argued that these displayed signs of commercial under-achievement. She does seem to overlook the point that, to facilitate their democracy, the members may have been quite happy to forego some of

*this will be examined in the following chapter

the conventional definitions of success based on profitability and efficiency. Nevertheless, the point remains that she found only eight examples of co-operatives which satisfied the criteria which she later described with her husband, Sydney Webb, as:

> "the self-governing workshop as Buchez conceived it in 1831-4, where the workers employed are all full and equal partners in the business, themselves providing all the capital, themselves managing or controlling the enterprise, and themselves enjoying the whole product of their labour". (Webb & Webb 1914 p15)

Potter's categorisation begs the question of how many of these four categories deserve to be called co-operatives. It is interesting to compare Potter's four classes with a typology of work reform developed by Joyce Rothschild-Whitt. As illustrated in the following diagram, worker ownership and control can exist to varying degrees in businesses which do not claim to be co-operatives.

Rothschild Whitt's typology is based on her observation of businesses in the United States, but the categories are equally applicable to the United Kingdom. Recent legislation has provided tax incentives for the expansion of Employee Stock Ownership Plans (ESOPs) which raise worker shareholding. (Economist 23 September 1988)

Figure 1 Typology of Work Reform

Worker control	Worker Ownership: low	Worker Ownership: high
low	1. Conventional firms	2. Employee-owned firms
high	3. Worker participation in management	4. Grassroots co-ops and collectives

(Rothschild Whitt in Crouch and Heller ed 1983)

It would appear that Potter's classes 2-4 correspond closely to the conventional firms of Rothschild Whitt's categories 1-3, whilst the latter's fourth category equates with Potter's class I.

Fundamental to Potter's analaysis is the question of worker ownership and control. Only in Potter's class I are both a central feature. In class II, ownership may be high, but control low, corresponding with Rothschild Whitt's employee owned firms. In class III, ownership and the potential for control is high, but the latter is compromised by the existing members refusal to admit new workers to membership, thus denying access to control. This class is less directly equatable with Rothschild Whitt's category of worker participation in management, but there are similarities in that the ultimate decision-making power is limited to management or members.

Ownership and control are both minimal for the

workforce of class IV societies, rendering them virtually indistinguishable from conventional firms. The extent to which ownership is central to the exercise of control is a debate to which we will return, but it is not an issue in the following typology of co-operatives developed by Stirling et al. Instead, the emphasis is on the structures adopted, revealing the degree of commitment to co-operative values and their translation into practice:

Figure 2 Co-operative Types by Structure

Small business	A low commitment to co-operative values and limited democracy
Participative	A commitment to develop some democratic decision-making within the constraints of the market
Ideological	A commitment to co-operative principles at the expense of profitability

(Stirling et al 1987)

It is noted that the small business co-operative is:

> "often associated with those whose primary purpose is job creation. In such circumstances, co-operative principles are secondary to the establishment of a viable business and it may even be the case that the co-operative form has been nominally adopted simply as a means of securing access to support agencies". (p65)

Participative co-operatives exhibit a commitment by the workforce to co-operative principles, but are constrained in their ability to practice these by economic demands or the lack of adequate skills. Attempts will, nevertheless, be made to introduce democratic work organisation and

decision-making.

Ideological co-operatives are those for which adherence to co-operative principles could ultimately prove more important than the perpetuation of a business.

This typology recognises the significance of economic factors, but defines by the motivation of participants. The degree of commitment by the latter to co-operative principles is the crucial factor. In the following typology developed by Cornforth et al, economic factors play a more central role.

Cornforth et al's typology

Cornforth et al develop a typology rooted in the belief that co-operatives experience life-cycles, ie it is possible, at different times in a co-operative's life, to move between types. Movement occurs with changes in both economic circumstances and internal organisation, for example collectivist ways of working or so-called dual structures with management positions. Fundamentally, however, the typology adopts the distinction between alternative and job creation. Ideologically-inspired co-operatives are likely to fall into one of two categories, whilst their more pragmatically-oriented counterparts occupy the other two. Four types are therefore identified, each is a product of both economic and organisational features and can alter through stages of a co-operative's development.

Type 1: Marginals: These are co-operatives in a weak trading position which find great difficulty in raising

sufficient capital. They are likely to employ an administrator, and may be dependent upon one or a few customers, leaving little scope for autonomy. They face continuous financial problems and a significant amount of "sweat equity" is likely to be invested: ie members will forego short-term financial rewards in the hope of establishing a viable business. Wages are likely to be low, and workforce commitment maintained by the lack of alternative job opportunities, perphaps allied with social benefits such as flexible hours and a feeling of control over the work environment.

Outside support from, for example a Co-operative Development Agency is likely to be important to such co-operatives' ability to survive and develop. Through time, it might prove possible to "jump" to category 3 - instrumentals. Such co-operatives are likely to be phoenix or job creation.

Type 2: Radical Marginals: These co-operatives will experience similar economic circumstances to type 1, but have "alternative" membership and goals. The radical marginals are likely to maintain collectivist structures and strong external social or political goals. Wages will be low and workforce commitment is likely to be maintained by shared political or religious beliefs.

Type 3: Instrumentals: Characterised by their relative economic security, but lacking a strong ideological commitment by the workforce, many phoenix co-operatives

and possibly some conversions would fall into this category. Instrumentals, like the marginals, will be motivated by strong pragmatic considerations like employment creation and security. They contrast, however, in the strength of their relative economic positions, with instrumentals likely to have a more skilled workforce and operate in more lucrative markets. Workforce commitment is likely to be generated by a combination of high material rewards and, to varying extents, a feeling of control over work. The implication here is that if material rewards do not remain high enough, worker commitment will be threatened.

Type 4: Pathfinders: All represented in this category conform with the criteria of alternative co-operatives. At earlier stages in their development, many will have been type 2 - radical marginals, but have now succeeded in achieving economic stability. The possibility of conflict between "collectivism" and "managerialism" is identified as particularly strong in this type of co-operative. This pressure will be less intense for those operating in a market niche without intense competition, but when competition increases, so too will the pressures to adopt more conventional working methods and decision-making hierarchies.

This final point about the conflict between commercial viability and democratic control introduces us to Clarke's model of contradictory tensions in co-operatives. The

typologies discussed above reveal the extent to which a co-operative's **commitment** to democratic structures will, of course, be a crucial feature in their implementation, but economic pressures will also be significant. The following model of contradictory tensions in co-operatives comprehensively illustrates the potential conflict between economic viability and adherence to co-operative principles.

Figure 3

Clarke's Model of Contradictory Tensions in Co-ops

COMMERCIAL VIABILITY	Contradictory tensions in co-operatives	DEMOCRATIC CONTROL
	ECONOMIC STRUCTURE	
Market competition	Co-ordination	Democratic planning
Enterprise wealth and power	Accumulation	Social Needs
Individual/Enterprise	Distribution	Collective/Community
Commodity (Exchange Value)	Product/Service	Socially Useful (Use Value)
Individual	Ownership	Collective/Social
	ORGANISATION AND CONTROL	
Representative Democracy	Control	Participatory Democracy
Maximum Output/Minimum Cost/Capital Intensive	Technology	Socially Responsible/ Alternative Technology/Labour Intensive
Detailed Divsion of Labour	Division of Labour	Rotation of Offices and Tasks
Incorporated/ Suppressed	Trade Union Organisation	Active Internally and Externally
	WORK EXPERIENCE	
Bureaucratic Control	Work Organisation	Autonomous Groups
Professional Elite	Decision Making	Collective Participation
Alienation	Meaning of Work	Purposeful

In Clarke's own words:

> "At the two extremes the organizations that emerge from these opposing orientations are so different, that it is imprecise to refer to both as "producer co-operatives": perhaps worker ownership is a more accurate description of the first orientation, whilst the term worker co-operative should be reserved for the second. However, many co-operatives attempt to steer a middle way between these two poles, and achieve some workable compromise that allows commercial survival with some element of democratic control. If co-operatives concentrate exclusively on commercial efficiency, survival may be ensured, but at the expense usually of any claim to being democratic organizations except in the most formal terms. Co-operatives that concentrate on the pursuit of democracy internally, and contributing to the struggle for democracy in the wider society, will probably fail commercially and be forced to close.
> (Clarke, ibid p5)

Clarke's continuum is necessarily a polarised one which identifies extremes. In reality, as Clarke states above, co-operatives are more likely to operate within extremes, displaying high commitment to commercial viability in some respects and fidelity to democratic control in others. For example, the product or service might not qualify as "socially useful" in the alternative sense, but job rotation might be practised and decision-making be truly participative.

Co-operatives conforming with the right-hand column in Clarke's model can be seen as an "ideal type". In each of the typologies outlined above, there exists an implicit or explicit ideal type, based on a number of features but centred around the degree of worker ownership and democratic control.

The "Ideal Type" Co-operative

In the typology based on origin, the alternative co-operatives emerge as the purest category, an honour bestowed upon the ideological co-operatives in Stirling et al's typology by structure. This honour is limited, however, because their uncompromising dedication to co-operative ideals could cause terminal commercial problems.

Ideological co-operatives correspond with the right hand column of Clarke's model, whilst the small business category corresponds with the left column. It is therefore the participative co-operative, combining commitment to co-operative ideals with commercial realism, which emerges as the ideal type in Stirling et al's typology. The participative co-operative could conceivably be job creation in origin, and in this respect, Stirling et al's typology is more optimistic than Cornforth et al. In the latter, pathfinders emerge as the ideal type, but this is clearly a category based on alternative co-operatives. Cornforth et al insist that their categories should not be put into a matrix, but it would appear that the job creation or phoenix co-operatives represented as marginals or instrumentals are unlikely to move over into the more ideologically-inspired radical marginal or pathfinder categories.

Returning to the fundamental question of job creation co-operatives as a vehicle for changing society and people, it might be concluded that Cornforth et al's

typology is pessimistic because pragmatically-oriented co-operatives are unlikely to develop the **co-operative consciousness** defined in the introduction. This is, however, possible in Stirling et al's typology, allowing participants to distinguish the job creation co-operative from the conventional workplace and presenting opportunities for the development of feelings of personal and political efficacy.

In the following two chapters, we explore the literature debating the potential of co-operatives as vehicles for social and personal change.

Chapter Two

Worker Co-operatives as Agents of Social Change

Introduction

We turn now to consider the literature debating the role of worker co-operatives in producing economic, political and personal change. In this chapter, we consider co-operatives at a societal level and explore and contrast the various approaches to the significance of worker co-operatives as agents of social change. In the following chapter, the significance of co-operatives at a personal level will be considered.

Evident in the literature are two contrasting approaches which Lockett has described as "incorporationist" or "transformational". (1980) According to the former, worker co-operatives represent one organisational form compatible with capitalism, whilst the latter views them as a pre-figurative form of socialism. Inherent in most of the literature are two implicit assumptions. The first is an over-estimation of the homogeneity of the co-operative form which, as illustrated in the previous chapter, is inaccurate. This is a fundamental weakness in much of the debate. The second assumption is that co-operators display, or will develop, a political consciousness harmonious with the (conflicting) analyses presented.

Co-operatives Under Capitalism - Incorporationist or Transformational?

Fundamentally, the literature relating to the role of worker co-operatives in a capitalist society is built upon one of the following theoretical bases, as defined by Lockett (1980):

Incorporationist: "the basic structure of capitalist society is not challenged, in particular production of commodities for exchange in a market. Instead, the problem is how to remedy the shortcomings of capitalist forms of organization which do not perform as efficiently as they could, owing to a lack of commitment of the workforce to an enterprise".(p175)

Transformational: "a belief that an alternative form of economic, social and political organization is possible and that workers co-operatives are part of a strategy for achieving a transformation of capitalist society". (p175)

Since the two approaches are contradictory, it might be concluded that they cannot both accurately describe the experience of co-operatives under capitalism. As we have already noted, however, co-operatives are not a homogeneous phenomenon.

Based on the observations made by Carter, a number of philosophies and movements can be subsumed under each heading, as follows:

Incorporationist	Transformational
1. Worker Capitalist	1. Alternative
2. Third Sector	2. Evolutionary Socialist
3. Christian Socialist	3. Feminist
4. Revolutionary Socialist*	

(Carter 1987 p79)

An exploration of the objectives and values underlying each school reveals the chameleon-like manner in which the principles of co-operation can be interpreted and applied.

Incorporationist Approaches

1. Worker Capitalism

Interest in co-operatives has increased amongst academics and politicians supportive of capitalism. Adopting a "worker capitalist" approach, co-operatives are not seen to undermine or present a threat to capitalism. On the contrary, they are considered supportive and complementary to it by extending "job ownership".(Bradley and Gelb 1983, Jay 1980, Jones 1894)

The terms "worker co-operative" and "employee-owned firm" are often used interchangeably by supporters of the worker capitalist school. (Oakshott 1978 , SCDC 1985, Bradley and Gelb 1983) According to the following definition, worker co-operatives represent just one manifestation of employee ownership which is defined as follows:

*All of the other categories represent movements supporting the establishment of co-operatives. Revolutionary socialists are generally hostile to co-operatives and do not support their establishment.

> "a form of industrial organization where, generally speaking at least a part of the equity is owned by members who also assume a considerable degree of responsibility for the commercial survival of "their" enterprise, although they may have little formal control". (Bradley and Gelb 1983 p4)

There is, however, more than a semantic difference between the two terms. Employee ownership describes a situation in which the workforce hold a significant number, but not necessarily all, of the company shares, eg Employee Stock Ownership Plans. ESOPs are growing in the United States, their popularity fuelled by tax advantages. (Rothschild Whitt 1987) As mentioned in chapter one, incentives provided in the 1989 spring budget is expected to fuel their growth in the United Kingdom. (Economist 24 September 1988)

The distinction between ESOPs and worker co-operatives is a fundamental one based on the twin pillars of co-operation: worker ownership and control. This is limited in the ESOP which is effectively a profit-sharing arrangement. (Rothschild Whitt and Whitt 1986) A lack of clarity therefore pervades the literature of the worker capitalist school. This is a fundamental problem in assessing their arguments because it is not always clear whether they are referring to one or other type, or both.

Bradley and Gelb have made a strong case for the promotion of employee ownership as a means of curing capitalism of problems ranging from efficiency to the survival of the free market. It is argued that when

workers own (some or all of) their workplace, they will exhibit greater "responsiveness" to market forces, accept "market wages" and, if necessary undercut union-negotiated wage rates. (Jay 1980) All of these factors were present in Bradley and Gelb's account of phoenix co-operatives:

> "in some cases pay levels fell and manning and demarcation limits went by the board, contributing to substantial cuts in operating costs. Workers co-operatives arising out of a bankrupt firm have sometimes been able to reach concensus on a wider set of labor arrangements than conventional firms" (Op Cit p36)

As the references to falling pay and manning levels and increased flexibility suggest, a central feature of this approach is support for co-operatives and employee-owned firms as a vehicle for undermining trade union organisation. We shall return to this issue in chapter four when we compare the basis on which co-operatives enjoy the political support of all major British political parties.

To summarise, the worker ownership approach is incorporationist because it considers co-operatives beneficial to the health and survival of the capitalist economy. Let us now consider how this emphasis differs from another incorporationist category - the third sector approach.

2. Co-operatives as a third Sector

Support for co-operatives as representing a "third sector" of the economy is forthcoming from the political

centre, offering an alternative to unfettered market capitalism on the one hand and State nationalisation on the other.(Oakeshott 1978) This is a vision which neither promotes nor challenges the long-term security of the capitalist economy. Instead, it sees the latter as continuing to exist whilst worker co-operation develops its own distinct sector within it.

Its appeal lies in the promise of de-centralisation and local accountability contrasting with the faceless power of the giant corporation on the one hand and State-owned industries on the other. In 1981, an organisation called Job Ownership Limited was established, based on the "third sector" philosophy. JOL promotes "worker ownership" and offers assistance to potential or existing companies interested in establishing worker-owned enterprises.(Mellor et al 1988)

3. Co-operatives and Christian Socialism

Christian Socialism was significant to the development of worker co-operation in the mid-nineteenth century. Worker co-operatives would provide the avenue through which moral and Christian values could be regenerated because co-operation was considered to be:

> "the true outcome of the Christian religion....a new manifestation of the counsels of God for the redemption of man out of the slavery of the flesh to the freedom of the spirit"
> (Hughes and Neale 1881 p9)

Their support was based on a genuine desire to improve

the employment conditions of the working class, but they also viewed co-operatives as:

> "the surest protection for England from those dangers to society and property which the democratic wave is threatening to bring to many other nations". (ibid 1881 pxiii)

This reveals the innate conservatism of the Christian Socialist approach - with co-operatives being used as a bulwark against the radical transformation of society. Instead, its concern is with creating a more caring capitalism.

One question which divided the Christian Socialists was the extent to which commitment to co-operative principles should be exhibited by people before they were accepted into co-operatives. Whilst some believed that this was essential to maintain the co-operative's integrity, others believed that the experience of co-operative working should be an educative process. As illustrated in the typologies presented in the previous chapter, the degree of commitment to co-operative principles both at the time of foundation and throughout a co-operative's life can vary significantly between British worker co-operatives. A fundamental question addressed in this thesis is the extent to which that commitment and awareness, here referred to as co-operative consciousness, develops in job creation co-operatives.

In summary, the common feature of incorporationist approaches is their basic acceptance of a capitalist economy, seeking either its stabilisation and promotion or

accommodation within it. As we shall see, the transformational schools also support the development of co-operatives within a capitalist economy, but with the fundamental aim of its gradual transcendence. This brings them into sharp conflict with the revolutionary socialists who also seek the abolition of capitalism, but argue that worker co-operation is useless, even detrimental, to its achievement. Paradoxically, therefore, their analysis shares many similarities with their political adversaries, the worker capitalist school. We will return to Marxist analyses of co-operation later because their arguments identify the significant economic factors which introduce us to the debate about degeneration. We shall therefore continue now with an examination of the transformational approach.

Transformational Approaches

1. the Alternative Position

As we saw in the previous chapter, alternative co-operatives constitute the most homogeneous and organised category of co-operative in Britain. However, it would appear to be a movement for which no single political ideology could be credited. What unites alternative co-operatives is their rejection of capitalist relations of production and support for the provision of socially useful and responsible goods and services. It has been referred to as a "counter-cultural" movement, drawing together socialists, greens and anarchists. (Clarke

1984) Although the movement only emerged in a recognisable form in the late 1960s and early 1970s, it shares many similarities with the communities envisaged by Owen and Fourier. We hear echoes of the alternative movement in the following description of Owenite philosophy:

> "Owen's view of the establishment of his new communities was not one of class struggle and division but rather the creation of a new society on the basis that it was rationally superior to the old."
> (Mellor et al 1988 p5)

In contrast with Owen, Fourier places more emphasis on the significance of class in his vision of Utopia. He sought, rather patronisingly, to save the working class from its own ruin. The challenge was therefore:

> "to find a new social order that insures the poorest members of the working class sufficient well-being to make them constantly and passionately prefer their work to idleness and brigandage to which they now aspire".
> (Beecher and Bienvenu, 1983 p107 quoted in Mellor et al 1988 p8)

Despite the differences in emphases, Owen and Fourier share an interpretation of society and its transformation which is essentially unitarist. The class system is an unfortunate aberration which can be overcome with reason and argument. The alternative co-operators seek to gradually transform through example, again without an overtly class-based analysis of society. It is in this major respect that alternative and communalist approaches differ from socialist ones.

2. The Evolutionary Socialist Position

It was Lenin who first used the phrase "islands of socialism in a sea of capitalism" in reference to co-operatives in the original version of "The Immediate Tasks of the Soviet Government" in March 1918. (Union of Consumer Co-operative Societies GDR nd p29) British interest in the role which co-operatives might play in the gradual achievement of a socialist society emerged early in the last century. Personally and through the influence of his writings, Marx played an important role in the debates generated. He is probably the most famous agnostic on the subject of co-operatives and his writings are ambiguous. Both supporters and detractors can present quotes from Marx to support their arguments. Basically, however, he would appear to have supported them in principle, but remain unconvinced about their contribution to fundamental change because of their "dwarfish" proportions. Addressing the International Working Men's Association in 1864, he cautioned that:

> "Restricted.....to the dwarfish forms into which individual wage slaves can elaborate it by their private efforts, the co-operative system will never transform capitalistic societies". (Marx 1985 p2)

Marx was stressing that co-operatives could never be an alternative to the class struggle, but could form a useful adjunct to it. Referring to the "co-operative factories raised by the unassisted efforts of a few bold hands", he states that:

> "the value of these great social experiments cannot be over-rated. By deed, instead of by argument, they have shown that production on a large scale, and in accord with the behests of modern science, may be carried on without the existence of a class of masters employing a class of hands; that to bear fruit, the means of labour need not be monopolized as a means of dominion over, and of extortion against, the labouring man himself; and that, like slave labour, like serf labour, hired labour is but a transitory and inferior form, destined to disappear before associated labour plying its toil with a willing hand, a ready mind, and a joyous heart".
> (Marx 1985)

Marxist philosophy has inspired the various movements for workers control which began to emerge in the late nineteenth century. Guild Socialism can be interpreted as fusing consumer and producer co-operation and transcending the apparent contradiction between the two. This revolves around the issue of ownership and control by whom? By those who produce or those who consume? Guild Socialism argues in favour of workers controlling their own work environment, whilst ownership is vested in the State. The Guilds were to be based on the trade unions which would represent all grades of worker, but manage their industry to the benefit of society as a whole. Syndicalism also addressed the issue of workers (as opposed to State) control of industry and argued that single industry unions should be developed to ultimately wrest control from the hands of management.

Syndicalism provided the stimulus for some of the more recent developments in the history of producer co-operation, for example the so-called Benn co-operatives

which will be discussed in chapter four. At the turn of the century, however, Guild Socialism was the influential doctrine behind the establishment of the building co-operatives. These flourished for as long as there was a degree of State financial support through the post-war national housebuilding programme. When this was withdrawn in 1921, the Building Guilds began to collapse. (Cole 1944)

Workers movement interest in co-operatives did not re-emerge until the 1960s when the Institute for Workers Control (IWC) was established. As its name suggests, the Institute sought greater democracy in industry, identifying a number of ways in which this could occur:

> "It may result in new and far reaching reforms of institutions or laws, it may take the form of direct action, the setting up of workers councils or the occupation of factories. It may take altogether more modest forms, such as the framing of laws regarding trade union rights, or the setting up of workers representation in or alongside the existing decision-making centres of industrial power". (Coates and Topham 1974 p62)

Although not explicitly mentioned above, workers co-operatives were one of the options supported and explored in a book edited by Ken Coates, a leading figure in the movement. (Coates 1976) The mid-1970s was the time of the Bullock Report advocating greater industrial democracy. There existed a general political climate conducive to the launching of radical experiments in workers control. The three so-called "Benn co-operatives" provided the opportunity, but, as we shall discuss in chapter four,

ultimately collapsed amidst disillusionment and financial loss.

3. The Feminist Position

Feminism is a movement which seeks to eradicate gender inequality within society. Feminist support for worker co-operatives is based on the premise that they have a contribution to make to this process. In contrast with conventional businesses, co-operative working offers the possibility of a non-hierarchical work environment in which women and men contribute as equals. Women in both single-sex and mixed co-operatives have an opportunity to combat sexual stereotypes and discrimination. If women develop more confidence in their capabilities at work and tackle the iniquities of sexism, it is possible that this will, in turn, spill over to their private lives. In other words, their developing confidence as "public" citizens will have implications for their perceptions and behaviour as "private" citizens. The feminist position therefore recognises the inextricable connection between the personal and wider social implications of co-operative working.

<u>The Revolutionary Socialist Position</u>

We have seen that Marx was ambivalent about co-operatives. His contemporary followers have tended to be less sympathetic. As Carter has noted, the situation might be described as "Marx for, Marxists against".(1987 p47) Essentially, their opposition revolves around the

issues of ideological acceptability and efficiency. Taking the latter first, it is argued that self-governing worker co-operatives under capitalism must bow to the pressures of the market or cease to exist. Either way they lose. If they follow the former road, they must degenerate as co-operatives and effectively become indistinguishable from conventional firms. In so doing, they lose any identification with their radical roots.

They are therefore seen as vehicles for self-exploitation and ultimately illusory in their promise of secure jobs and workers control. These criticisms are most cogently expressed by Ernest Mandel:

> "if the decision-making and advantages of each particular factory are left to the workers of that factory to deal with, a situation of blatant inequality is created within the working class, and where there exist inequalities, it follows that the collective struggle of the working class as a whole for its common interests is broken down by the internecine struggles of different groups of workers.
>
> It is thus to deceive the workers to lead them to believe that they can manage their affairs at the level of the factory. In the present economic system, a whole series of decisions are inevitably taken at higher levels than the factory, and if these decisions are not consciously made by the working class as a whole, then they will be made by other forces in society behind the workers backs". (Mandel 1975, p38)

Nicholls echoes Mandel's criticisms, but goes further in outlining the constraints which operation in the capitalist economy must place upon the internal organisation of the co-operative:

"Capitalist relations of production consist not only of intra enterprise relations (capitalists/managers:workers) but also of inter enterprise relations between private capitals which are market regulated and unplanned. Because of this it is difficult, for example, for workers co-operatives to break away from capitalist principles of organisation (hierarchy, wage differentials, minimisation of wage costs etc.)"
(Nicholls 1980 p25)

Thus Nicholls argues that, no matter how well-intentioned a co-operative might be, the reality of operating in the capitalist market ultimately dictates its behaviour at both the commercial and organisational level. Other socialists have challenged this position and argued that it is too rigid. Tomlinson has pointed out that conventional firms rarely conform to a rational model of optimal behaviour. Instead, they display a variety of approaches towards such issues as investment, profit maximisation and management strategies. This, argues Tomlinson, proves that an ability to manoeuvre can exist for co-operatives because otherwise such "inefficient" conventional firms couldn't continue to survive:

"Whilst co-operatives operating in a predominately capitalist economy are hemmed in by, for example, the need to get finance, or the need to sell their goods at prices which will provide a positive cash flow, they are not so tightly hemmed in as the common Marxist argument suggests. They have to have a concern for financial survival but this does not mean that to successfully achieve this there is only one way, the capitalist way. If this were the case, how could the diversity of the capitalist firm's practice be explained other than as irrationality, with discussion of the firm like an extended essay on psycopathology?

> Like the capitalist firm, the co-operative is constrained ..... but there are still strategic possibilities of diverse managerial practices compatible with financial survival".
> (Tomlinson 1983 p35)

Tomlinson rightly draws attention to the heterogeneity of practice displayed by capitalist firms, but does not adequately draw out the fact that worker co-operatives also display a variety of practices, as illustrated earlier in Clarke's model of contradictory tensions. This illustrated that it is possible for co-operatives to be effectively indistinguishable from conventional businesses: the "small business" co-operatives of Stirling et al's typology. The existence of such co-operatives might seem to provide ammunition for the revolutionary socialist position, but the latter's pessimism also extends to "ideological" co-operatives which they consider to be unsustainable in a capitalist economy. They would support the Webbs' argument that co-operative survival is conditional upon degeneration.

The Degeneration Debate

Decades before the Webbs made their pessimistic conclusions, Marx had recognised the danger in his address to the International Working Men's Association in 1864:

> "in order to prevent co-operative societies from degenerating into ordinary middle class joint stock companies, ... all workmen employed , whether shareholders or not, ought to share alike".
> (Marx 1985 p132)

The degeneration thesis is so-called because it

stipulates that the democratic ideals of worker co-operation are incompatible with economic survival. The latter therefore becomes conditional upon the degeneration of the co-operative into a conventionally-indistinguishable business. (Potter 1891, Webb and Webb 1914) Clearly, much rests on the accuracy or otherwise of this conclusion. If it is true, socialist supporters are wrong in their vision of co-operatives as shocktroops of economic change. It is hardly surprising therefore that the thesis has generated a great deal of debate.

For the revolutionary socialists, co-operatives are driven to degenerate because they must compete in a capitalist economy. The Webbs were not revolutionary socialists and their emphasis differs. They based their analysis of degeneration on **internal** forces, but still recognised the significance of economic factors in influencing the process.

In the literature debating degeneration, the latter is assumed to take one, or a combination of, three forms. (Meister 1984, Cornforth 1988) The first is "constitutional", referring to a situation where the workforce gradually becomes excluded from ownership and control. This could occur when, for example, equity shares are distributed to outsiders or new employees are excluded from membership.

"Goal" degeneration is the second category and occurs when a co-operative abandons wider principles such as

social responsibility to the pursuit of profit.

The third category is "organisational" degeneration and occurs when the principle of democratic control is eroded and replaced with managerial hierarchies.

Implicit in the Webbs' writing is the belief that co-operatives will ultimately experience all three if they are to remain commercially viable. But the question which emerges is the extent to which degeneration is driven by economic forces. Co-operatives experiencing different economic pressures are likely to display varying levels of degeneration. Fairclough believes that the Webbs recognised this, but their approach has been artificially split in two. The subsequent attention focussed on one, and relative neglect of the other dimension, is misleading:

> "The Webbs (and Marxists) have studied co-operatives from a methodology which viewed politics and economics to be inextricably connected in social reality. This methodology frames the main contribution that they make to understanding the problems experienced by co-operatives and how they can be avoided. The problem is that the economics side of their political economy has been neglected in translating their works into a contemporary debate where degeneration is defined in almost exclusively political terms i.e. about what participatory forms best ensure democratic control".
> (Fairclough 1986 p2)

Carter has argued that the Webbs' use of deterministic terminology as illustrated in the following quote has resulted in an over-literal interpretation of their position:

"The most enthusiastic believer in this form

> of democracy would be hard put it to find, in all the range of industry and commerce, a single lasting success. In the relatively few cases in which such enterprises have not eventually succumbed as business concerns they have ceased to be democracies of producers themselves managing their own work; and have become, in effect, associations of capitalists on a small scale". (Webb and Webb 1921 pp463-4)

Consequently, argues Carter, subsequent debate on the issue is misguided because it is predicated upon a "semantic slip" which has created a "straw man." (Carter 1987) Critics need only to produce one example of a co-operative which has not degenerated and they can argue that this is conclusive proof that the Webbs were wrong. Research conducted by Derek Jones has presented such a challenge. (Jones 1975) Arguing that the Webbs misinterpreted their data on British worker co-operatives, he concluded from his own research that their survival rate was better than that suggested by the Webbs and that levels of worker participation can increase as well as decrease. His conclusions have recently come under attack from Fairclough who takes issue with Jones' reliance on formal measures of participation. (Fairclough op cit)

Recent academic reappraisal of the Webbs' work is timely because it adopts an open-minded approach to the study of degeneration. (Carter op cit, Fairclough op cit) Carter argues that the Webbs were not absolutely hostile to worker co-operatives and could envisage their successful creation, **under specific circumstances** as the following quote from their 1914 supplement to the New

Statesman proves:

> "we can imagine that there may one day be groups of people among whom there will be sufficient intelligence, mutual forbearance and, so to speak, "clubability" to enable them to form Self-governing workshops both as efficient and as well-disciplined as autocratically controlled establishments".
> (Webb and Webb 1914 p30)

The Webbs were prepared to give credit where it was due. It is not often conceded that they did, in fact, acknowledge several positive findings in relation to the work environment within some co-operatives. Although they go on later to argue in its favour, they do concede that there is a healthy and positive angle to the absence of strict discipline:

> "We were struck, on visiting several of these societies and in talking to those intimately acquainted with their working, with the ease, amenity and sense of freedom that prevails among those who are fortunate enough to be employed in them.....
> The workplaces are healthy and well-ventilated, and manners and morals are well above the average".
> (Ibid p16)

Particular mention is made of the benefits of the co-operative work environment for women workers. In comparison with their counterparts in conventional factories, their sickness rate was low, presumably because they were not forced to work so quickly:

> "There was a notable absence of the look of fatigue common in capitalist concerns...."
> (Ibid p16)

They go on, however, to record that the price of this apparently satisfying work environment is paid in economic

efficiency. In particular, the manager is "subjected to a number of petty tyranies, jealousies and suspicion". (p17) He is curtailed in pursuing the actions which he believes best for the business by a fear "not so much of what is said, as what he is afraid will be said". (p17) Consequently:

> "He is not in the true sense a manager. He is mainly a figurehead with certain necessary powers deputed to him, and all the time that he is acting he is subjected to a really extra-ordinary amount of criticism and a very hateful spying over his actions. The effect of this is that no radical change in the methods of production can be instituted".
> (Ibid p17)

Inferred within this quote is a vision of the knowledgeable and professional manager thwarted in his attempts to introduce progressive policies by the inherently conservative and somewhat ignorant membership. It is worth bearing in mind that the Webbs were enthusiastic supporters of scientific management theories. Margaret Cole has summarised their position as follows:

> "The Webbs had a fundamental faith in the Civil Servant and the trained administrator; they were neutral bureaucrats in the best sense of the word and admitted it ..... and they were perhaps more than they realised, distrustful of the common (man's) ability to take important decisions unless (he) was wisely guided by (his) superiors and presented with simple and definite choices - at election time for example".
> (Cole M 1961 p148)

Their analysis might seem patronising today, but they firmly believed that strong bureaucratic management and rigorous discipline were essential to commercial

efficiency. They remained convinced that their research proved the inability of the producer co-operative to simultaneously combine commercial efficiency and internal democracy:

> "We infer that it is the very form of Associations of Producers that is ill-adapted to survive. Applied to the democratic control of industry, such a form seems to suffer inherently from three leading disadvantages....."
> (Ibid p18)

These disadvantages are then listed as follows:

-inadequate workshop discipline
-lack of market awareness
-resistence to change

Examples to support their pessimism are abundantly presented in their 1914 supplement to the New Statesman in which they present a rigorous appraisal of producer co-operation throughout Europe. One co-operative singled out for a limited degree of praise is the Nelson Self-Help Manufacturing Society, a co-operative of cotton weavers in Lancashire which had emerged in 1888 after a strike. Conceived in circumstances which proved their commitment to trade unionism and fair working conditions, they maintained their loyalty by adopting the hours fixed by the factory acts and wages enforced by the trade union. Its freedom from outside control was noteable:

> "It has throughout remained, in the strictest sense, a society for finding its own members continuous employment under agreeable conditions, under the management of a committee of eight, who are all themselves employees, and who are annually elected by the other employees who form

the shareholding body".
(Ibid p15)

Flaws, however, emerged in its commercial performance. Capitalisation was low, turnover static and technical efficiency problematic. According to an unidentified "well-informed critic", the poor economic performance was attributable to a lack of discipline and motivation which would not be tolerated in private factories:

> "In this society the workers, feeling assured that no such course (dismissal) will be followed, work easily, pay no regard to the possibility of a division of profits if greater effort were put forth, regard themselves as having a job for life, and take their work in a very leisurely fashion".
> (Ibid p15)

The Webbs conclude that the system of democratic management in the Nelson society is unworkable, but whose opinion they are representing in the following quote is not clear. We are left wondering if it is the opinion of members of the workforce or observers:

> "the system of having worker members on the committee is felt to be wrong in principle and injurious in practice; they rarely possess an aptitude for business, they resent and refuse to acknowledge managerial discipline, and by their action they encourage workers not on the committee to adopt the same course.
> The society has too many masters!"
> (Ibid p15)

The Factors Influencing Degeneration

One issue which the Webbs do not take into consideration is the degree of political awareness and commitment to co-operative principles and working

practices, or co-operative consiousness, evident when people establish or join co-operatives. This will have some bearing on the extent to which they are susceptible to degeneration into "tyrannies of small masters". Those co-operatives founded by, and employing, people who strongly identify with the principles of co-operation are likely to strive for their implementation. In contrast, co-operatives exhibiting low levels of awareness of, or commitment to, co-operative principles would logically appear to be more vulnerable.

Superimposed on this ideological foundation is the soundness or otherwise of the co-operative's economic position. Co-operatives operate in different commercial circumstances and some, as Tomlinson points out, have more room for manoeuvre than others. It might reasonably be concluded that those co-operatives most susceptible to degeneration are those exhibiting two features:

-low levels of co-operative consiousness
-difficult commercial circumstances

From the typologies presented in the previous chapter, it might reasonably be concluded that phoenix and job creation co-operatives emerge as particularly vulnerable to degeneration. To recognise the danger is not, however, to state that it is an inevitable process. As we shall see in chapter four, the growth in these types of co-operative has been serviced by Co-operative Development Agencies (CDAs) providing commercial and organisational advice and support. These can potentially act as a

watchdog guarding against degeneration.

Conclusion

In this chapter, we have examined the literature relating to co-operatives as agents of social change. For those adopting "incorporationist" approaches, co-operatives are agents for reforming, but not transforming capitalism. Supporters of the "transformational" approach, meanwhile, view them as harbingers of a new society. The revolutionary socialist arguments remind us that co-operatives can herald change only if they themselves remain distinguishable from conventional businesses. The extent to which co-operatives are vulnerable to degeneration is therefore a crucial factor, but they experience varying levels of degenerative pressures. In chapter five, we will focus upon the specific experience of job creation co-operatives, but we continue now with an examination of the literature on worker co-operatives as agents for personal change.

CHAPTER THREE

Worker Co-operatives as Agents of Personal Change

Introduction

What is missing from the literature on the "transformational and "incorporationist" approaches is their analysis of **how** co-operatives change individuals as well as society, yet this is implicit in each of the positions. Although this change is generally implied rather than stated in the writings of the supporters of the different schools, there does exist a body of literature on which much of the current optimism about the potential of the co-operative environment as a vehicle for personal change is based. The question addressed in this thesis is the extent to which a particular form of worker co-operative - the job creation co-operative - influences participants' feelings of personal and political efficacy and political consciousness.

Co-operatives as a Vehicle for Personal Change

Various studies of participation in decision-making at work and society have concluded that our early life experiences do not leave us well-equipped to participate. Although societies like Britain and The United States of America refer to themselves as "democracies", there is little training in, or opportunities for, effective participation in everyday life. In the words of Gamson and Levin:

> "Major agencies such as families, churches and schools, as well as workplaces, tend to be organised along hierarchical and, often, authoritarian lines. Even those political institutions that are based upon democratic precepts tend to practice representative rather than participative democracy - that is, with chosen or elected representatives making the decisions".
> (Gamson and Levin in Jackall and Levin 1984 p231)

It has been argued, most noticeably by supporters of the "participatory theory of democracy" that a participatory work environment such as a co-operative provides an opportunity to break with this tradition and creates an ideal training ground for participation in decision-making and the exercise of direct control over one's working life. (Pateman 1970) This has implications for participants' feelings of personal and political efficacy. How this is translated, if at all, into developments in political consciousness was not a concern of the "participatory theorists", but, as we discuss below, has become an issue of interest to academics since. (Greenberg 1981, Greenberg 1983, Wajcman 1983)

Before going on to examine the literature, it is important from the outset to introduce the issue of gender and work for two reasons. First, co-operatives are often championed by feminists as an avenue for non-sexist work practices in both mixed and women-only co-operatives. Second, much of the existing literature on the relationship between work and self-actualisation is fundamentally flawed because of its preoccupation with the male worker and marginilisation of the female workforce.

The Study of Work - A Feminist Critique of the Traditional Approach

Siltanen and Stanworth have noted the tradition in industrial sociology where:

> "leaning towards qualitative accounts produces numerous detailed discussions of work-based politics in which sex is seldom specifically addressed, and in which workers are taken by omission to be male .....
> Few writers on industrial politics are prepared to assert that women are, in general, less militant or more acquiescent than men: but the overwhleming failure to discuss the 40% of the labour force who are female in analyses of work-based politics often gives the impression by omission - the fist that is raised in defiance of management is a male fist, and the examples of confrontational politics are taken from men". (Siltanen and Stanworth 1982 pp94-95)

The consistent use of the male third person singular in the texts of the "classic" works in industrial sociology is more than just a reflection of the general acceptability of this sexist language at the time when the bulk of this literature was written. It is also an indication of the authors' approach to the nature of work, in which, Dex has argued, women are neglected or workers are treated as "unisex", i.e. male. Feldberg and Glen have argued that when women are studied in industrial sociology, they tend to be slotted into a "gender" model as opposed to a "job" model for men (Feldberg and Glen 1979). The latter assumes that the work people do is the primary explanatory variable of their behaviour and attitudes both at work and outside. In contrast, the

"gender" model seeks to explain workers behaviour in terms of their personal characteristics or family situation.

Feldberg and Glen quote Blauner's "Alienation and Freedom" as an example of the employment of this distinction. Blauner uncritically embraces the notion that women at work are more easily satisfied than men:

> "Women in the (textile) industry are not dissatisfied with such (tedious) work. Work does not have the central importance and meaning in their lives that it does for men, since their most important roles are those of wives and mothers". (Ibid p81)

Blauner goes on to study the position of the (minority) male worker in the textile industry and concludes that his job prospects are enhanced compared to his counterparts in other industries because of the low aspirations of the "easily satisfied" majority of women workers:

> "Male workers feel that their status is higher and that they are recognised as more important than the women. They have somewhat increased chances for promotion into the minority of jobs with skill or responsibility. Women who tend to be more satisfied than men with the prevailing unskilled routine jobs "cushion" the occupational floor in machine industries, raising the ceiling slightly for the men who might otherwise be frustrated in low positions". (Ibid p176)

Blauner recognises that women workers often carry the dual responsibility or "double shift" of having both a job and shouldering domestic commitments, but uncritically accepts the notion that women naturally or voluntarily attach priority to the latter. To use more recent

terminology, he is arguing that women's experiences of the "private" sphere of home and family affect their motivations and orientations in the "public" sphere of paid employment. In the latter, their expectations are different and lower than those of men. Uncritical presentation of this theme in much of the traditional literature of industrial sociology has come under increasing scrutiny and attack in recent years by feminist writers. (Pollert 1980, Wajcman 1983) Bearing these fundamental criticisms in mind, we shall now turn to the existing literature which focusses upon the nature of the relationship between work, personal and political efficacy and political consciousness.

Work and Personal and Political Efficacy

Personal efficacy can be defined as the extent to which one feels confident in one's own abilities, whilst political efficacy has been defined as the feeling that:

> "individual political action does have, or can have, an impact upon the political process, i.e. that it is worthwhile to perform one's civic duties.
> (Campbell et al 1954 p187)

It is important to recognise the inter-connectedness of the two elements. A sense of political efficacy requires first a feeling of personal ability:

> "Persons who feel more effective in their everyday tasks and challenges are more likely to participate in politics."
> (Milbraith 1965 p59)

Various studies of political behaviour have echoed

Milbraith's claim (Blauner 1964, Almond and Verba 1972), and it is evident that political activists require a degree of self-confidence and communication skills if they are to be effective. This then begs the question of how are these acquired.

In their cross-cultural study of individual political attitudes and behaviour, Almond and Verba sought to identify the factors determining the individual's sense of political efficacy. They concluded that the experience of participation in any organisation was an important factor, whether it was a local voluntary organisation such as a charity or a body with explicitly political aims. Power structures within these organisations were, however, considered crucial:

> "if in most social situations the individual finds (him)self subservient to some authority figure, it is likely that (he) will expect such an authority relationship in the political sphere. On the other hand, if outside the political sphere (he) has opportunities to participate in social decisions, (he) will probably expect to be able to participate in political decisions as well. Furthermore, participation in non-political decision-making may give one the skills needed to engage in political participation".
> (Almond and Verba 1972 p271-2)

Almond and Verba consider the opportunity to participate in decision-making at work to be an example of a "non-political" activity, a judgement which supporters of the theory of escalation described later would strongly contend. The former nevertheless considered the experience an important one and took it into consideration

in their study. They asked respondents whether they were consulted about decisions made on the job, the extent to which they felt free to complain about decisions and the extent to which they actually complained. In all countries, opportunities to participate were positively correlated to a feeling of political competence. Not surprisingly, the higher the work status of the respondent, the more opportunities were reported.

Opportunities to participate in decision-making at work are, in general, closely related to the nature of the work one performs (Littler and Salaman 1984). Those in lower socio-economic status (SES) occupations tend to have much less opportunity to exercise discretion and participate in decision-making than those further up the social ladder. As Littler and Salaman have argued:

> "The most highly satisfied workers are the ones with the most task discretion - professionals and businessmen. Within factories, satisfaction/skill are more prevalent among white collar workers than on the shop floor. Within working groups, satisfaction is highest amongst the skilled craftsmen (Blauner 1960 p45). Among middle class jobs, the "high idscretion" roles described so usefully by Allan Fox - it is quite usual for jobs to be invested not only with skill and responsibility, but with discretion, under the assumption that these jobs cannot be broken down and bureaucratised to the same degree as lower level jobs". (Littler and Salaman 1984 p20)

Littler and Salaman have borrowed quite extensively from the work of Allan Fox. He describes how the balance of "prescribed" and "discretionary" elements in every job

regulates the degree of "self-determination" and "psychological growth" of the individual worker by producing the:

> "enriching experiences through which (men) can meet challenges and overcome obstacles, develop their aptitudes and abilities, and enjoy the satisfactions of achievement. In the course of these experiences (men) undergo psychological growth, realise themselves, and reach due stature as full, mature and autonomous moral agents. Perhaps the central notion here can be expressed in the language of decision-making, choice and responsibility. (Men) make themselves through their own choices - by taking decisions and accepting responsibility for what they choose. This is the process of self-determination and growth. A work situation which offers no - or only the most trivial - opportunities for choice, decision, and the acceptance of responsibility is therefore one which offers no opportunities for growth" (Fox 1971 p4-5)

Thus it is argued that the ability to exercise discretion and participate in decision-making at work not only enhance job satisfaction, but contributes towards the individual's felings of personal and political efficacy. It follows that those with least opportunity will lack confidence in their own capabilities on both counts. In turn, this is one factor explaining the comparative lack of involvement and representation of lower SES groups in political activities.

Blauner's comparative study of workers in the printing, textiles, vehicle and chemical industries concluded that the nature of the industrial environment was a major determinant of the "social personality":

> "Because of variations in industrial social structure, industries differ in their modes of social control and sources of worker discipline, and distinctive social types and personalities are produced that reflect the specific conditions of their industrial environment". (Blauner 1964 p27)

Traditionally, the printing industry's skilled craftsmen have enjoyed a high degree of task discretion and autonomy (although it must be noted that this sector is currently undergoing significant restructuring). The absence of close supervision by management was substituted by the craftsman's own pride in the quality of (almost invariably) his product and the self-discipline imposed by the notion of a "fair day's work". (Ibid p175)

Blauner concluded that these features of the work environment fostered strong feelings of personal and political efficacy amongst craftsmen in the printing industry:

> "Satisfied with his occupational function, the craftsman typically has a highly-developed feeling of self-esteem and a sense of self-worth and is therefore ready to participate in the social and political insitutions of the community as well as those of his craft". (Ibid p176)

In contrast, the evidence from the textile industry revealed major differences in the nature of the work environment and the general feelings of personal and political efficacy displayed by workers. Blauner refers to the

> "opportunities for the expression of workers resources and skills and the development of new potentialities",

and concludes that

> "Because of the technology and social relations of textile production, the majority of workers have no possibility for personal growth and development in their work. Few jobs involve challenge or demand judgement. In addition, the paternalistic attitudes of management and supervisors discourage the responsibility of the worker, who is viewed as a child and must be directed and looked after. The constant supervision and work pressure develop a dependent, rather than an independent attitude. The lack of collective institutions, particularly unions, to provide a textile worker with protection and dignity, reinforces this dependency".
> (Ibid p84)

It must be noted that Blauner chose the American deep south as the location for his study of textile workers, and very particular community influences are evident in workers' attitudes. Religion continued to play a central role in many people's lives and served to reinforce very traditional social and political attitudes. He refers to the occasional

> "spontaneous group-singing of religious songs"
> (Ibid p75)

by the women machinists.

These quite particular circumstances must detract to some extent from the general applicability of Blauner's findings. Nevertheless, with the exception of the unusually strong religious influence, other factors which Blauner notes as significant are typical also of many textile factories in Britain today: the technology employed, the nature of the supervision and the pressure under which the women worked.

The socialisation of the traditional community in Blauner's study contributed towards the reproduction of a relatively passive labour force. Conventional gender roles were largely unchallenged. As quoted earlier, women workers were largely relegated to the most monotonous, but often quite physically demanding jobs. At the same time, many were wives and mothers performing the "double shift" of work and home, contributing to high levels of fatigue experienced by women workers (Ibid p72). Male workers, meanwhile, benefitted from the women's "acceptance" of their role which served to upgrade their status and job opportunities:

> "Because only one out of five female textile workers had a job which allowed her to try out her own ideas, it was possible for almost one out of two male workers to have work permitting such initiative".
> (Ibid p72)

The labour process within the textile industry provides little scope for "high task discretion" jobs in its assembly line production. An exception is the high status job of cutter - almost invariably a man. In the words of Angela Coyle:

> "As other men's jobs have been de-skilled and lost, the cutting room has become a kind of retreat. Inside the cutting room men defend their wages and skill differentials. Unlike women, men are employed on time rates and largely determine their own pace of work".
> (Coyle 1982 p15)

Despite the fact that they may be highly skilled machinists, the vast majority of the industry's largely

female workforce perform work which is low status and low discretion:

> "Factory discipline is not based on the internalised motivation characteristic of printers, but stems from a number of of largely external sources. These include a mechanised technology and subdivided work organisation that is more coercive than that of the craft industries and the rather close supervision of foremen and other management representatives".
> (Blauner Op Cit p176)

Following from this, argues Blauner, the extent to which the work environment contributes towards feelings of personal and political efficacy is minimal:

> "The low status of mill hands in the community, the low wages, economic insecurity and lack of freedom and control, inevitably tend towards a deflation of self-esteem".
> (Ibid p176)

From the literature discussed above, the factors which emerge as determinants of feelings of personal and political efficacy are consistent with Kohn and Schooler's paradigm of autonomy, complexity and variety.

Autonomy, Complexity, Variety and the Potential of the Co-operative Environment

In the early 1970s, Kohn and Schooler published their research on the dimensions of occupation. Eichar and Thompson have summarised the three essential elements as follows:

-autonomy: the lack of close supervision
-complexity: the substantive complexity of work
-variety: the opportunity to perform a variety of tasks
(Eichar and Thompson 1986 p48)

These three factors are exercised at a personal level, but their scope will be determined by the extent to which the co-operative as an organisation exercises **autonomous control** over its own labour process. This issue will be examined in more detail in chapter five, but it is important to note at this stage that the precise degree of ACV possible within co-operatives (or conventional firms) will vary, as illustrated in Blauner's comparison of the printing and textiles industries. It is not sufficient to assume that democratic **ownership** automatically bestows **control**. As discussed in the introduction, the principle of no equity shareholding is designed to ensure that control remains in the hands of the workforce. In reality, a variety of factors will determine the scope for autonomous control exercised by a co-operative. Different markets and products produce varying constraints. It is possible for a co-operative to be legally owned by its workforce, but effectively under the control of a single customer or support agency. The nature of the product or service and the influence of outside agents could therefore seriously narrow the parameters within which the co-operative can make its own choices and decisions about policy and practice.

Bearing this in mind, we shall continue below to assume that the co-operative does, in fact, exercise a sufficient degree of autonomous control to provide adequate scope for ACV.

Assuming that an adequate degree of autonomous control does exist, the next condition to be met is that the co-operative organises itself in such a way that opportunities for ACV are shared amongst the workforce. This is the practical manifestation of co-operative consciousness.

In theory, power within the co-operative lies ultimately and absolutely with the membership. It is a principle of co-operation that all members participate, on the basis of one person, one vote, in decision-making. How this is actually translated into practice varies, influenced by factors such as size and the nature of the product or service supplied. In small co-operatives, it is possible to operate a system of direct democracy quite effectively, whereas larger co-operatives such as Scott Bader will probably adopt a form of indirect or representational democracy. In 1986, it was estimated that the average co-operative consisted of only five members. (Jefferis 1986) With such small numbers, there is clear scope for the exercise of direct democracy. In view of the very small number of co-operatives with over twenty members, it is reasonable for our debate to focus upon the vast majority for whom direct democracy is a practical possibility.

Irrespective of the nature of the product or service, co-operative workers should be involved in taking decisions and executing tasks which, in a conventional

firm, would be the preserve of management. This issue is explored in detail in chapter five, but the significant point to note here is that participants' abilities which might previously have had little or no opportunity to emerge will be given the opportunity to do so. Of course, for many people whose previous work experience has consisted of working, or being educated in, hierarchical organisations in which they held positions of little or no influence, adjusting to an egalitarian environment can be difficult and having to learn new skills might at first appear to be a daunting task. But sharing and rotating skills and responsibilities makes the burden less heavy. Assuming the absence of an apppointed manager who embraces all of the functions listed earlier, members should learn that management is not a God-given skill, but can be acquired. The blurring of the distinction in status between "blue" and "white collar" workers might allow those who have previously held "blue collar" jobs to acquire confidence in their abilities to perform functions which were previously the preserve of management. Talking to the bank manager, negotiating with the local council and potential customers, even answering telephone calls are examples of the kind of tasks which, in a co-operative, are likely to be shared out amongst the members. After some experience, these are some of the tasks which might enhance people's confidence in their own strengths and abilities.

An added dimension to the overall debate about co-

operative working and the development of participants is the specific position of women within the economy and society. As discussed earlier, there is a great deal of optimism about the potential of the co-operative workplace as a means of overcoming traditional barriers to women's full and equal participation in the workforce. In addition, there is the possibility that concrete experiences within the workplace will be carried out into the wider social environment.

Gender consciousness is one aspect of the wider notion of political consciousness which can be broadly defined as a general awareness of, and interest in, political affairs.

Co-operative Consciousness and Political consciousness

We have already seen that co-operative consciousness is **practically** expressed through the establishment of a democratic work environment. Participation in decision-making and the exercise of ACV would, in turn, appear to be central to the development of feelings of personal and political efficacy. The degree of identification with a wider movement is the **theoretical** expression of co-operative consciousness. The manifestation of co-operative consciousness at both a theoretical and practical level would appear to be a pre-requisite to the realisation of the transformational vision. If co-operators do not identify their workplace as being distinct from, and oppositional to, conventional

businesses, there would appear to be little which the co-operative can offer to transform participants or society. The existence of co-operative consciousness is therefore implied in the transformational literature championing the role of worker co-operatives in raising political consciousness. As the case studies of Greenberg and Wacjman reveal, however, co-operative consciousness should not be taken for granted simply because a business calls itself a co-operative.

It has been argued that the worker managed enterprise is an ideal training ground for nurturing socialist relations and values. (Greenberg 1981, 1983, Labour Party 1980, Coates 1976) As workers gain confidence in themselves and the working class as a whole, they will demand the right to exercise more power in society generally. Greenberg refers to this as the "theory of escalation":

> "It is a theory which suggests that the experience of democracy in the most immediate work environment is an essential educative tool in the growth of socialist consciousness, since they are environments in which people come to appreciate co-operative and collective efforts, where confidence in productive skills is cultivated, where the sense of power as a member of a class is fashioned, and where human talents and abilities become sufficiently developed that the absurdities of capitalist social relations becomes clear".
> (Greenberg 1983 p196)

In an earlier article, Greenberg demonstrates the process leading to heightened class consciousness, as a

consequence of the experience of co-operative working, in the following diagram:

(1)
Direct governance of the production process by workers

will lead to.....

(2)
Transformation of individual orientations and behaviours appropriate to socialist arrangements

which, in turn, will foster the.....

(3)
Development, as industrial democracy spreads throughout society, of a class with revolutionary consciousness

leading to.....

(4)

Conscious class struggles for the institution of socialism.
(Greenberg 1981 p31)

As discussed in chapter two, challenging the theory of escalation is the workers capitalism school which argues that worker self-management is economically and politically supportive of the capitalist economic system. Bradley and Gelb have pointed out that:

> "Worker takeovers of declining firms have not aimed at undermining existing political and economic arrangements, but represent a quite conservative response".
> (Bradley and Gelb 1983 p5)

Implicit within this model is the assumption that co-operative working is likely to nurture capitalist values as participants develop a sense of identification with, and stake in, the existing system. Unfortunately, there is very little existing empirical evidence against which

both schools of thought can be evaluated. Greenberg's own research into the plywood co-operatives in the United States found that they were likely to attract recruits who already displayed attitudes "appropriate to a capitalist economy". The experience of working there served to reinforce that commitment. Greenberg extended his study to compare the attitudes of workers in the plywood co-operatives with those of workers in conventional plywood firms. He found that:

> "those entering the cooperatives bring with them a small-property/petit bourgeois experience and outlook"
> (Op Cit 1981 p47)

Members were expected to make an investment, and the attraction of high financial reward, coupled with security of employment proved to be a major motivation in joining the plywood co-operatives. Greenberg concludes from this study that:

> "the worker-managed workplace may not be, isolated as it is, an appropriate educative setting in the present context for nurturing a larger political movement for change.
> (Ibid p41)

There are, however, problems with Greenberg's research. The American plywood co-operatives have a high ratio of non-members and are located in an area without a strong labour movement or socialist tradition. Greenberg himself recognises that political conclusions can only be drawn from within the parameters of participants' existing knowledge and awareness. He refers to the role of "a

political organization devoted to general coordination and socialist education" as an important catalyst in the process of translating the individual's co-operative experience into a wider political analysis.

Wajcman, in her study of the Fakenham women's co-operative in Norfolk, reinforces the point that growing support for socialist values is conditional upon participants' awareness of what those actually are. She argues that the women of Fakenham were conscious of their involvement in a highly unusual industrial enterprise in which they enjoyed relatively high levels of participation in decision-making. This experience did not, however, spill out beyond the four walls of the factory. She concludes that the women shared the fundamentally conservative "general political orientation" common among the area's rural working class. Furthermore, there was evidence that the women actually lost confidence in the ability of working class people to assume responsibility for their own affairs:

> "the co-operative's ultimate demise left the women embittered anhd pessimistic about the possibilities for change. Whatever the potential for political radicalisation in a worker-controlled enterprise, a failed attempt of this kind may actually increase workers' sense of powerlessness. Having fought to take control over their workplace, and having seen that attempt fail, the Fakenham women experienced more intensely the apparent inevitability of the capitalist system. In a dramatic way this serves as an illustration of much working-class experience, in which real and ideological constraints interact to reproduce powerlessness". (Wacjman 1983 p182)

To summarise, the experience of worker co-operation might have an impact upon participants' political awareness, but this could be translated into either socialist or bourgeois values - it cannot be assumed that the experience will heighten class consciousness. The latter will occur only where there is familiarity with socialist ideas. In the case of both the American plywood co-operatives and Fakenham, this familiarity was absent within the communities in general. In areas with a stronger socialist tradition, such as Scotland and the north east of England, where the co-operatives selected for this study are based, it might be expected that at least some members will already be aware of, or support, socialist politics. This could be imparted to their less aware colleagues.

Conclusion

In this chapter, we have seen that evidence from the "participatory theory of democracy" would suggest that co-operatives are, in theory, well-equipped to foster feelings of personal and political efficacy. This is generated through the exercise of autonomy, complexity and variety. If and how this is then translated into heightened political consciousness would appear to provoke more disagreement, with some Left observers supporting the "theory of escalation" with others disagreeing and reaching conclusions similar to those of the "worker capitalism" school.

In this and the previous chapter, we have examined the arguments about the potential of worker co-operatives as agents of social and personal change. So far, this debate has been conducted at a general level, but we have been reminded throughout that co-operatives should not be examined as a homogeneous entity. The subject of this study is job creation co-operatives and, in the following chapters, we shall focus our attention more specifically upon their experience.

CHAPTER FOUR

Job Creation Co-operatives and the New Jerusalem

Introduction

Continuing with the theme of worker co-operatives as a force for change, this chapter examines the background to the flourish of interest in, and growth of, worker co-operatives from the late 1970s. The contributing factors can be summarised under the following four headings:

1. the emergence of new forms of struggle
2. political support from the major parties
3. the 1970s legislation
4. co-operative development as a local economic strategy

1. The Emergence of New Forms of Struggle

1.1 The Occupation of Upper Clyde Shipbuilders and the establishment of Fakenham

In 1972, the announcement of the intention to close the Upper Clyde shipyard met with well-organised worker resistance. Occupying the yard until the threat was lifted, the workers' action established a precedent which was to be repeated on many other occasions during the decade. In the three years following the occupation, over one hundred other factory occupations took place. (Coates 1976)

Although the Upper Clyde workers never demanded the establishment of a co-operative, their action was significant to the regeneration of the producer co-operative movement. They restored confidence in the power of working class action and inspired subsequent occupations which did lead to the establishment of worker

co-operatives. These phoenix co-operatives, particularly those established with the support of Tony Benn whilst he was Industry minister, were well publicised, if not ultimately successful.

In the same year as the Upper Clyde occupation, another, much less publicised sit-in took place. It occurred not in "Red Clydeside" but Conservative, rural Norfolk. The protagonists were not male shipbuilders with a strong history of union and political organisation, but a group of women who were union members, but not activists. When the closure of the shoe factory in which they worked was announced, they took a spontaneous decision to occupy. When no private buyer was found, they decided to run the factory themselves as a co-operative. Little support for their action came from their own union - the National Union of Footwear, Leather and Allied Trades (NUFLAT), although some other unions responded more positively. More significant was the moral and financial support which the workers received from the women's movement and Scott Bader, a successful Northampton-based chemicals company, converted into a co-operative in the 1950s by its Quaker owner. (Phillips 1987, Wacjman 1983)

Fakenham never received the widespread media publicity enjoyed by Upper Clyde or the later Benn co-operatives. It survived for five difficult years during which the workforce suffered some quite intolerable conditions. According to Judy Wajcman, its survival for this length of

time

> "was attributable solely to the self-sacrifice of the women involved".
> (Wajcman 1983 p186)

The mid-1970s witnessed the emergence of three other phoenix co-operatives established amid a blaze of publicity and controversy. Meriden Motor Cycles, the Scottish Daily News and Kirby Manufacturing and Engineering (KME) were all large workplaces facing closure when the workforce of each decided to occupy. In common with Upper Clyde Shipbuilders, the unions sought the reversal of the decision or the intervention of another buyer. In contrast, however, neither of these options were taken up and the workers decided that the only alternative was to run the factory themselves.

Before going on to consider the pheonix co-operatives in more detail, it is important to place their development within the context of wider political debates being resurrected at the time.

1.2 Democracy in Industry

At the same time as workers' resistence to factory closure was growing, the debate about democracy in industry was also increasing within the political Left. As discussed in chapter two, the Institute for Workers Control championed this cause. although there was some debate about how far it might go:

> "In general terms, there emerged during the 1960s two diverging strands of opinion and policy. One challenged the whole tradition

> of the wasted years since the 1920s and aimed to build a new movement for workers control, and the other searched for a new formula to give the appearance of democracy without too much of the reality, through forms of worker participation".
> (Coates and Topham 1974 p55)

In 1974, a Labour government was elected to power committed to an extension of trade union and workers' rights. Alongside the extensive legislation introduced during its 1974-79 term of office, it began to address the issue of democracy in industry. A Royal Commission was established to investigate the issue and produce recommendations. In 1977, the Bullock report presented the results of its deliberations, advocating a limited degree of worker participation in management decision-making in large companies. It inspired little support amongst either worker or management representatives and its recommendations were never translated into legislative proposals. Nevertheless, the issue of democracy in industry became well-publicised from 1974 until the end of the decade. It is within this wider political context that we must consider the origins of the three so-called Benn co-operatives.

1.3 The "Benn" Co-operatives

In common with the job creation co-operatives of the 1980s, the fundamental consideration of the founders of Kirkby Manufacturing and Engineering (KME), Meriden and the Scottish Daily News was the preservation of jobs. According to Oakeshott:

> "the thrust and leadership which eventually resulted in the establishment of the co-op came from the shop floor. Yet in no case ....does there seem to have been any strong initial feelings in favour of the co-operative form." (Oakeshott 1978 p108)

Instead, the co-operative form was identified simply as an alternative to unemployment. It must be borne in mind that there were only approximately thirty six worker co-operatives trading in Britain in the mid-1970s (Jefferis 1986) and most workers involved in these occupations would have had little or no knowledge about their activities. It is therefore hardly surprising that the co-operative option was presented by trade union leaders and politicians rather than shop floor workers. But it was nevertheless a credible alternative: the fact that the workers were not spontaneously calling for the establishment of a co-operative reflected ignorance rather than hostility.

Tony Eccles was a sympathetic academic who became business consultant to KME. In his opinion:

> "The workers were a decent bunch of people who wanted a job and a wage. They hadn't really asked for a co-operative and its accompanying turmoil. They had some initial enthusiasm that things would be different in the co-operative in an unspecified way - perhaps happier - and there are commentators who claim that only the leaders' behaviour caused the optimism to wilt. Yet the enthusiasm wasn't translated into a positive drive to face up to KME's needs. The wages improved and so did performance, but co-operators seemed strangely incurious about their prospects leaving more

> and more control in the hands of their leaders."
> (Eccles 1981 pp383-384)

Trade union leaders became identified as the new management at KME. Shopfloor participation in decision-making was always minimal: conflicting interpretations of the causes include apathy, lack of shopfloor confidence and awareness or little encouragement from the new surrogate management. (Eccles op cit, Tynan and Thomas 1984) Whatever the real explanation, there would appear to have been a serious lack of democratic participation at shop floor level in all three co-operatives. In addition to being the longest survivor at ten years, Meriden motorcycles implemented the most democratic structure. It adopted an equal wages policy and abolished supervisory posts:

> "As a consequence of this decision and the other democratic and egalitarian arrangements they have achieved an enthusiasm among the workers, with every man his own inspector, which has meant good productivity at high quality".
> (Oakshott 1978, p109)

Obviously, the larger workplace cannot implement a system of direct democracy: representational systems must come into operation. Opportunities for immediate identification with the decision-making structures within the workplace are therefore restricted, undermining personal identification with and support for the eventual outcome.

In their account of the history of the Scottish Daily News, McKay and Barr conclude that:

> "If (it) was a serious attempt to establish a worker-controlled enterprise which would be a test-bed for an alternative to orthodox management structures and capitalist control of the means of production, the Scottish Daily News failed to provide solutions although it left some useful lessons for any future attempt at a similar venture. But if the whole project was no more than a protracted protest by Beaverbrook employees at the fact and the manner of their forced unemployment it was a resounding, expensive success". (McKay and Barr 1976 p157)

All three of these phoenix co-operatives were conceived in inhospitable circumstances. Although they did have the support of Tony Benn as Secretary of State for Industry, it has been argued that the departmental civil servants were determined to destroy their chances of success. (Sedgemore 1980) A combination of chronic under-capitalisation, collapsed markets, the absence of management expertise and inexperience in running a co-operative were present in all three. Political opponents accused the government of propping up so-called lame-duck industries. The troubled history and eventual collapse of all three left a general distrust of phoenix co-operatives in the minds of politicians, policy-makers and the public. Consequently, averting the collapse of large manufacturing units through the establishment of co-operatives became unfashionable. But the small, alternative co-operative sector continued to grow successfuly and politicians and policy-makers were not completely disillusioned with co-operatives. A combination of economic, political and legal circumstances ensured that they found increasingly

enthusiastic support amongst all major political parties.

2. Political Support from the Major Parties

2.1 The Labour Party and Co-operatives

In the wake of the decline of the traditional, nationalised industries, the Labour Party began to see its commitment to Morrisonian nationalisation as an electoral liability. Equally, the abandonment of Clause Four of the party Constitution's commitment to "common ownership of the means of production, distribution and exchange" remained as unacceptable to the party's activists as it had been when Gaitskell tried to remove it in the 1950s. Interpretations of Clause Four which stopped short of outright nationalisation began to merit increased attention. Producer co-operation was rediscovered.

In 1980, the Labour party produced a pamphlet on Workers Co-operatives, enthusiastically proclaiming their potential contribution to the creation of the democratic socialist economy:

> "We believe that the co-operative form of organisation offers a true socialist approach to economic planning and development. While we may not achieve socialism in Britain over-night.....co-operatives offer the chance of establishing local examples of socialism in our current mixed economy, and, better still, give us an ever-widening circle of workers, experienced and trained in self-management and with the practical knowledge to help extend the frontiers of socialism. Not only will they know all too well the deficiencies of capitalism and private enterprise but can guide us more safely from their islands of socialism till we reach the shore of the socialist mainland."
> (Labour Party 1980 p5)

Fundamental to the sentiments expressed above is the assumption that co-operative workers are a highly-politicised cadre committed to the emergence of the new economic order. As we shall see repeatedly as this study unfolds, this is an inaccurate supposition.

Labour's commitment to co-operatives continued to flourish as the 1980s progressed: its 1985 Charter for Jobs provided a central role for co-operative development, whilst its election manifestos of 1983 and 1987 repeated the party's support. The former stated that workers should have the right to buy out their firms if the majority wished to do so, whilst the latter reported that the party would:

> "encourage the establishment and success of co-operatives of all forms".
> (Labour Party 1987 p6)

Labour's support for co-operatives can be dressed up in rhetoric which pleases all shades of opinion within the party: as a pre-figurative form of socialism providing practical examples of how production might be organised in the future, or a "third sector" bridging the gap between private and State-owned industry. However, the chameleon-like qualities of co-operation lend themselves to a much wider political audience than different wings of the Labour party. All of the political parties represented in parliament - and also some outside - can interpret the political and economic significance of worker co-operation

to suit their own purposes.

2.2 The Social and Liberal Democrats and Co-operatives

Like the right wing of the Labour party, the Social and Liberal Democrats (SLD) believe that worker co-operatives represent a "third sector" between outright public and private ownership. Because it is a very new party in its current form, we must look to the policy documents of the SLD's previously independent constituents, the Liberal and Social Democratic parties, to discover their position. A Liberal party policy briefing in 1985 stated that:

> "the small co-operative enterprises, organised under a system of common ownership represents a model of Liberal principles in action in industry".
> (Liberal Party 1985 p4)

The Social Democrats, meanwhile, were keen to promote co-operatives as the third sector, arguing that the Conservatives should consider handing public sector industries over to co-operatives rather than the private sector:

> "The formation of co-operatives by employees in the public sector should be encouraged. Particularly where there is a direct relationship between the consumer and the provider of services, for example in British Rail catering or housing estate repairs, services could be more efficiently provided by employees organised in co-operatives"
> (Social Democratic Party nd p25)

Such strategies became known, rather clumsily, as "co-operativisation" and, as discussed in the following chapter, became an issue when Liverpool City Council

awarded a privatised cleaning contract to a worker co-operative. Deflecting opposition to privatisation through the establishment of co-operatives is strongly supported in principle by the Conservative party.

2.3 The Conservative Party and Co-operatives

In a Financial Times article entitled "Tebbit: Champion of Worker Co-operatives", we are informed that:

> "local authorities and area and regional health authorities are examining the possible attractions of worker ownership of hived off services such as laundry, cleaning and maintenance. It is thought such arrangements could defuse some political problems frequently attending such moves".
> (14 Feb 1984)

Extending the privatisation of municipal services through the creation of worker co-operatives is attractive to the Conservatives. They believe that the prospect of worker ownership appeals to many working class people and could therefore undermine union opposition. Extended share ownership has been a central policy feature of the Thatcher government and is based on the assumption that it will foster identification with, and commitment to, private enterprise. Similarly, the sale of council homes was designed to promoted a "property-owning democracy", again intended to promote popular capitalism. Worker co-operatives as a form of "job ownership" can be seen to perform a similar function.

It can also be argued that worker co-operatives can exhibit the flexibility considered important to the

successful operation of the market economy.(Chiplin and Coyne 1982) Workers responsible for their own employment should become more "responsive" and "realistic" when faced with changes in market conditions. When the market deteriorates or conditions change, the workforce are expected to react without the resistence which might be expected in some unionised, conventional firms. Wage cuts, unpaid overtime and even redundancies might be implemented to ensure continuing competitiveness and survival. This might, in turn, apply pressure on fellow workers in private industry to respond similarly and, if co-operatives undercut trade union-negotiated pay and conditions in their particular market, the impact may be greater.(Jay 1980)

In particular, it is the image of the worker capitalists owning their jobs in a job-owning democracy which the Conservatives are keen to present. Growth in the number of worker co-operatives, or employee-owned enterprises as they prefer to call them, can be seen to perform both an ideological and a practical role. Ideological because it fosters greater personal commitment to capitalist values, practical because the reality of the market place will be as immediately obvious to co-operators as it is to the self-employed.

It is obvious from the party political positions outlined above that the significance of producer co-operation in a capitalist economy can be interpreted in a

variety of different ways. It is also worth mentioning that other political parties as disparate as the National Front and the Communist party are also enthusiastic supporters. This puts into context the following discussion of the development of the legislative support for co-operatives and the emergence of co-operative development as a local economic development strategy.

3.The 1970s Legislation

3.1 The Role of the Industrial Common Ownership Movement (ICOM)

It is appropriate to raise ICOM at this stage because it was very influential in securing the 1970s legislation. It is a Co-operative Support Organisation (CSO), but differs from the CDAs discussed later in an important respect. We must distinguish between CSOs which have an origin and identity separate from the State and those which are established and financially sustained by it. The CDAs fall into the latter category - ICOM into the former. It is essentially a "co-operatives club" which predates the current State involvement in co-operative development.

Although there were only a handful of co-operatives trading in Britain in the early 1970s, they were combined and active in their promotion of co-operative principles through their campaigning arm: first known as the Movement for Democratic Integration in Industry or Demintry, and from 1972 as the Industrial Common Ownership Movement or ICOM. Based in Leeds, ICOM's active membership was

largely drawn from Scott Bader and other Quaker conversion co-operatives and the newly-emerging alternative co-operatives. ICOM had no formal political allegiance and tried to maintain an all-party approach although the movement's sympathies and contacts were much more oriented towards the Labour and Liberal parties rather than the Conservatives. A statement by ICOM summed up the political position in 1974:

> "The Labour Party has been pledged for more than 50 years to replacing capitalist ownership by common ownership without doing anything very effective about it. Working for a nationalised industry today is much like working for any other large company and a sense of participation and unity of purpose is often conspicuous by its absence. The Conservative Party like to talk about partnership in industry without being prepared to do much about it. The Liberal Party have been talking about co-ownership in findustry for a quarter of a century but tend to reject their own reports, and do not now have a clear or radical policy in this area". (ICOM 1974)

The lack of awareness about co-operatives in "official" circles convinced ICOM of the need to establish a financial arm which could operate as an independent source of funding for new and existing co-operatives. Drawing on funds from Scott Bader, other successful co-operatives and supportive individuals, Industrial Common Ownership Finance (ICOF) was established to operate a revolving loan fund which would lend money on fair terms to new and existing co-operatives. Its limited resources were augmented in 1976 after the passage of significant

legislation in that year.

ICOM continued to lobby its political contacts in the Liberal and Labour parties and was successful in persuading David Watkins, a backbench Labour MP, to introduce a private members bill which became the Industrial Common Ownership Act. This Act was to prove significiant in facilitating the rapid growth in co-operative numbers from the late 1970s onwards.

3.2 The Industrial Common Ownership and Co-operative Development Acts

In the words of Watkins, the Industrial Common Ownership (ICO) Act provided:

> "for the first time a proper legal definition of what constitutes enterprises of a common ownership and industrial co-operative nature. This ends the legal limbo in which common ownership companies and worker co-operatives have found themselves whereby they were neither provided for in company law nor in industrial and provident society legislation. (Watkins 1978 p2)

The main features of the Act were its simplification of registration procedures, making them easier and cheaper, and the donation of £250,000 for co-operative development, most of which went to supplement ICOF's existing revolving loan fund. State interest in, and awareness of co-operatives, was heightened during this process and the next stage came with the decision of the Labour government in 1977 to take a more statutory interest in co-operative formation. Pressured by various sections of the Labour movement, the Co-operative Party,

Socialist Environmental and Resources Association as well as ICOM, it followed the traditional mechanism of a Working Party of all interested bodies.

After much debate, the Working Party failed to reach unanimous agreement and two reports - a majority and a minority report - were presented. The majority report, supported by the larger more established sectors such as the consumer movement, and agriculture and fisheries argued for a national Development Agency with a fund for advice to co-operatives, a non-partisan approach and an appointed Board. The minority report representing the smaller underdeveloped sectors such as ICOM, the National Federation of Credit Unions and the housing co-operatives argued for a much more comprehensive co-operative development fund to give direct financial support particularly in the underdeveloped areas and with a strongly co-operatively oriented Board appointed policy.

In 1978, the Co-operative Development Act was introduced in accordance with the proposals of the majority report and a national co-operative development agency was established with funding of £200,000 per annum over three years.

Although the national CDA survived the change in government, it did so by undergoing a transformation of identity. The incoming Conservative government in 1979 removed the Labour appointees and cut the funding in real terms. After removing the Labour-appointed "academics",

the Tories appointed a business executive on secondment from Unilever to head the agency and "de-politicise" the image of co-operatives. (Business Now Nov. 1983) Derek Jones, the new director, has been happy to perform this function. In his own words:

> "the co-operative way of running a business coincides in many ways with the present government's philosophies"
> (Business Now Nov. 1983)

The national CDA has been keen to improve the image of co-operatives - or employee-owned enterprises - amongst the conventional business community. It has also sponsored marketing initiatives such as one launched in November 1985 which established a furniture showroom in north London to exhibit the work of seventy small designers grouped together as the Independent Designers Federation. Supported by a grant of £10,000 from the Department of Employment, seventeen marketing co-operatives were in operation by the end of 1987. (Lightfoot and Roberts 1987). Membership is not, however, restricted to co-operatives and the majority of companies are conventionally owned businesses.

At the same time as the national State established a CDA, local authorities also began to finance their own CDAs. These were developed independently of the national CDA which has no authority over them.

4. Co-operative Development as a Local Economic Strategy

We have already seen that fear of unemployment was a significant factor in the creation of the mid-70s pheonix co-operatives, but this was to grow significantly during the rest of the decade and the 1980s. Registered unemployment was a million when the Conservative government was returned to power in 1979, but this was to grow to over three million by the mid-1980s. The collapse of manufacturing and the traditional nationalised industries such as steel, coal and shipbuilding continued, with closures affecting entire communities such as Consett and Linwood which had been virtually single-company towns.

In these circumstances, local economic development became an increasingly significant function of local authorities. Whilst they continued to try to attract multinationals and other major employers to their areas, many began to explore opportunities for more locally owned and controlled employment initiatives. Small business generation became fashionable with both national and local government. Money was poured into small business advice centres and the establishment of the Enterprise Allowance Scheme encouraged those who were unemployed and in receipt of benefit to consider the establishment of their own businesses. If a viable business proposition was presented along with the availability of £1,000, the EAS would pay £40 a week for the first year that the business operated. The growth of small business would herald the

economic regeneration of Britain, becoming "the shock troops of economic change".(Rainnie 1985)

Small businesses enjoyed all-party political support and continued to be a central plank of national and local job generation policy. The troubled history and eventual collapse of all three Benn co-operatives gave this alternative form of business organisation a poor image for some time, but their large size and vulnerable commercial position from the outset was recognised by policy-makers who separated these circumstances from the attraction of the co-operative model in itself. Like small businesses, small co-operatives could produce local jobs.

4.1 The Growth of the Co-operative Development Agencies (CDAs)

The first local Co-operative Development Agency was established in 1977 in Scotland, a decade later there were over a hundred in Britain, mostly with paid staff. (Cornforth 1984) The earliest were established in urban areas with a strong Labour tradition. All of them had suffered the decline of traditional manufacturing industry and high levels of unemployment. It is therefore hardly surprising that innovative and radical initiatives were sought and worker co-operatives seemed to offer some possibility of translating the rhetoric of workers control into positive action. But most importantly, they seemed to offer jobs at a time when traditional sources were drying up.

The need to create employment was the over-riding consideration and it would be wrong to imply that the local authorities commitment to co-operation was founded primarily upon attempts to create the New Jerusalem. Although Tyne and Wear County Council, for example, was prepared to commit£200,000 to a revolving loan fund for co-operatives, this must be considered within the context of the many millions more spent enticing the Japanese car company Nissan to the North East of England. CDAs were therefore financed on the understanding that they would create employment and this consideration remains the essence of performance assessment by many local authorities. Other considerations, such as the quality of work created and its accessability to sections of the community normally disadvantaged in employment are often viewed as commendable spin-offs.

Lord found that the majority of CDAs follow a "bottom up" approach in that they respond to their clients demand to form co-operatives rather than identifying areas of probable success. (Lord 1986) Contact tends to go by word of mouth or through community groups. CDAs often work with groups that are already marginalised within the labour force and Lord, generalising from a limited number of interviews, found that they were very good at building confidence and morale, establishing legal frameworks and locating sources of initial finance (for start-up feasibility studies etc.). They were less strong on marketing, long term finance and establishing skills such

as book-keeping and decision-making. According to Lord:

> "co-ops need hands-on advice on their specific marketing/book-keeping problems as they continued trading and were critical of those CDAs who did not provide this".
> (Ibid p24)

Part of the problem is the background of many CDA staff. The new agencies have been formed very quickly and there is not a wealth of people with co-operative experience or business expertise who will necessarily be sympathetic. This limits the recruitment base of the agencies:

> "CDAs are on the whole staffed by generalists with a community work background"
> (Commission of the European Communities nd p19)

Feedback from CDA client groups suggests that workers inspire confidence and boost morale, but are unable to provide the specialist knowledge of, for example, marketing and accounts, which can mean life or death for a co-operative. (Lord 1986, Commission of the European Communities nd) But CDAs are not oblivious to these problems and there is a growing trend towards the recruitment of "specialists" with specific responsibilities and the development of contacts with other agencies which can offer expertise. (Lord 1986)

The resources of the agencies are often stretched and there are conflicting demands on time as between potential and existing co-operatives. When the latter are experiencing periods of commercial or organisational difficulty, they are likely to turn to the CDA for help.

They might wait until a crisis has occurred before calling for assistance and, by this stage, the CDA might have little choice but to make an immediate response, neglecting other responsibilites in the process. This "firefighting" role is a difficult and time-consuming one, but the implementation of a continuous monitoring process designed to act as an early warning system for CDA workers could also prove time-consuming. Lord found that in the early stages, CDA staff spent seventy per cent of their time with new start-ups, as against thirty per cent with established co-operatives. This means that the size of the CDA will determine the number of co-operatives that can be formed, at least in the forseeable future, and some agencies have already been forced to limit the number of requests for co-operative formation. Lord found that CDAs alone were not sufficient and that:

> "without the support of regional initiatives such as the Enterprise Boards and without the support of specialist outside advisers, the development of co-ops in the survey would have been severely hampered". (1986 p89)

Another dilemma facing CDAs is the appropriate levels of direct support which they ought to give. Some CDAs have seconded workers to new or existing co-operatives for a while to pass on skills "on the job". More commonly, workers do not base themselves on the premises, but make regular visits. (Cornforth 1984, Cornforth and Lewis 1985)) In theory, it seems appropriate that CDA workers should withdraw their services gradually, passing on their

knowledge to the increasingly confident workforce. In practice, however, several factors can make this difficult. Pressure on time in co-operatives can be acute and investment in training might seem indulgent. The presence of a "professional" can be reassuring, particularly in job creation co-operatives, and the co-operators may be reluctant to assume responsibility for the tasks performed by the CDA worker. As discussed in chapter seven, this can create a condition of dependency where the co-operative finds it difficult to cut the link and become an independent, autonomous business.

Lord found that the co-operatives formed by the CDAs in the study were very vulnerable:

> "It was found that the Agencies concerned seemed to have developed and helped to set up a number of very vulnerable businesses. These businesses showed little signs of long term viability and paid their members extremely low wages".
> (1986 p64)

Cornforth and Lewis have shown that the number of co-operatives created in the recent past is strongly correlated with the presence of a CDA and that this does not necessarily give them any long term protection:

> "CDAs are primarily creating very small labour intensive, dependent co-ops".
> (1985 p78)

These profound reservations may be set against the question of what alternatives are available. While Cornforth and Stott (1984) have calculated that the cost

per job in co-operatives formed by CDAs is comparatively low, several studies of job creation worker co-operatives (Mellor & Stirling 1983, Macfarlane 1986, Lord 1986) have pointed to the high cost of undertaking an adequate training and advice programme.

Despite the criticisms, it is generally agreed that worker co-operatives would not be expanding so rapidly were it not for the existence of the CDAs. (Lord 1986, Commission of the European Community nd, Cornforth 1984) Criticism of their organisation and strategy reveals to a large extent the dilemma in which the CDAs can find themselves. They are not conventional small business agencies and they offer a service which is rooted in their support for the development of businesses which are qualitatively different to traditional firms. Followers of the co-operative "faith" who hold traditional principles close to their heart might fear the potential swamping of those values under the swelling tide of "commercial realism" being shown by the CDAs and co-operatives. (Financial Times 14 July 1987) But it could be argued that the need for survival has forced a re-think of the relationship between co-operatives and the capitalist market economy. CDAs must juggle with the conflicting demands made upon them, but their ability to simultaneously satisfy co-operative "fundamentalists", funding authorities, potential and existing clients and the conventional business community might seem a Herculean

task.

Worker Co-operatives in the 1980s

Growing levels of unemployment and the subsequent search for new employment initiatives led to local authority funding for CDAs. These CDAs then prompted the explosion in co-operative numbers witnessed from the late 1970s onwards, illustrated in the following table:

Table 1: Co-operative Formations

Year	New Co-ops	of which still trading	
		No.	%
existing pre 1976		36	
1976	15	14	93
1977	15	9	60
1978	46	37	80
1979	39	31	80
1980	48	38	79
1981	59	33	56
1982	99	61	61
1983	152	111	76
1984	210	182	87
1985*	190	185	97
unknown	38	25	62
Total	911	762	

*1985 data provisional (Jefferis New Co-operator summer 1986)

If we examine this growth further by breaking it down into regional groupings, quite pronounced variations emerge. Areas with long established CDAs tend to have a higher number of co-operatives. But those areas with the highest number of co-operatives do not necessarily have a correspondingly high number of people employed in co-operatives. Contrast the figures for the South East and North West in the following table:

Table 2 Regional Distribution of Co-operatives - 1985

Region	No of co-op workers	No of co-ops	Failure Rate (%)
London	1279	193	24
East Midlands	887	54	27
Yorks & Humberside	454	66	29
Scotland	390	50	22
North West	382	66	20
South East	372	28	22
Wales	270	40	25
North	265	45	24
West Midlands	235	51	23
South West	149	24	11
East Anglia	79	10	15

(Jefferis ibid)

The north-west has thirty eight more co-operatives than the south-east, but they employ only ten more people. London's leadership is explained by several factors: prior to the abolition of the GLC in 1985, the Greater London Enterprise Board provided significant funding through the network of CDAs. London is also the nation's cultural centre and has a large number of entertainment and arts co-operatives.

Conflicting regional figures are, however, available from the reports of the regional CDAs. According to the above table, there were forty five co-operatives trading in the northern region of England at the end of 1985. This conflicts with the annual report of the region's CDA, published in the summer of that year, which states that there were fifty two. (Northern Region Co-operative Development Association 1985). There is a similar discrepancy in the Scottish figures with a higher number

quoted by the Scottish Co-operatives Development Committee (SCDC). In its 1985 annual report, SCDC boasts a figure of sixty two Scottish co-operatives as opposed to the fifty listed above.

Perhaps one explanation for the higher figures produced by the regional CDAs is the pressure they face from the funding authorities to prove that they are as effective as job creation agencies. This might encourage a degree of overstatement.

It is evident from the above table that the vast majority of British worker co-operatives are very small, with only about fifty employing more than twenty people. (ICOM 1986) Jefferis estimates that the national average is four workers, figures can therefore be distorted by one or two co-operatives.

Despite their recent numerical growth, it is nevertheless clear that worker co-operatives remain dwarfish in economic terms, Their annual turnover at the end of 1985 was estimated at £200 million, (ICOM 1986) but this is disputed by Jefferis' more conservative estimate of £150 million, with an average turnover of £80,000.

Conclusion

We have seen that a number of factors have contributed towards the development and sustenance of high levels of co-operative growth in the 1980s. Worker co-operation currently enjoys the political support of all three major political parties which have contrasting views of its political significance. Nevertheless, they are united in

the belief that co-operatives have a role to play in economic regeneration and financial support and advice have been made available through the Industrial Common Ownership Act and the establishment of the CDAs. The latter have played an important role in sustaining high levels of co-operative growth through the 1980s, but research has shown that many of the co-operatives they have helped to establish and maintain suffer acute commercial problems. (Lord 1986)

Conceived in inhospitable circumstances, it is hardly surprising that many job creation co-operatives can battle for survival from the outset. But the fact remains that for many people, the experience of a job creation co-operative will be the first opportunity to exercise a degree of autonomy, complexity and variety in their working lives. In the following chapter, we focus more specifically upon the scope for control available to the job creation co-operative.

Chapter Five

The Nature of Control

Introduction

In chapters two and three, the literature relating to co-operatives as agents of social and personal change was examined. One of the problems with the literature is its implicit over-estimation of the homogeneity of worker co-operatives. Consequently, the arguments presented cannot be tested against a monolithic phenomenon - worker co-operation. Instead, it has to be considered in relation to the different categories identified in the typologies. In this study, our focus is upon job creation worker co-operatives and, in this chapter, we return to consider the degree of **autonomous control** which the job creation co-operative can exercise within the constraints of the capitalist market. This was the central point of contention between the "transformational" evolutionary socialists and the "incorporationist" revolutionary socialists and degeneration theorists.

The crucial elements to be evaluated are both commercial and organisational and can be summarised under the following headings:

1. control of finance
2. control of the market
3. control of the labour process, both in terms of the productive process and internal organisation and decision-making

Each of these will be examined in turn, taking into consideration the experience of the two market sectors

represented in the fieldwork undertaken for this thesis. These are the cut-make-and-trim sector of the clothing industry and the property maintenance market.

1. Control of Finance

Raising finance can be a major obstacle for any new business, but the issue raises particular problems for worker co-operatives. Traditional firms may raise money through equity shareholding where money invested receives "interest" only if the company is successful. For a worker co-operative, equity shareholding challenges the principle of "workers hire capital, capital does not hire labour". It also challenges the independence and integrity of the co-operative as the Webbs observed. Even where workers themselves invest money there is a potential threat to the rest of the co-operators. If some invest more than others they may convert themselves into traditional owners. For this reason, ICOM Model Rules state that shareholding by worker members shall be limited to a one pound share and if the co-operative is wound up the proceeds must go to charity or another co-operative.

Like all forms of business, co-operatives require a secure financial base to succeed. As a result of their constraints in raising finance through equity shareholding, there has been a tendency for co-operatives to suffer from problems of under-capitalisation and high-gearing. The latter refers to a situation in which a business must repay high levels of loan interest irrespective of commercial performance and ability to pay.

A worker co-operative can get into a vicious circle where under-capitalisation and lack of access to investment finance relegates them to a marginal existence in highly dubious sweatshop conditions which may reinforce their inability to raise loans. Secure, well-paid jobs in a pleasant, healthy working environment are unlikely to be forthcoming if access to the right kind of finance remains problematic.

The need to find "benign" funds for co-operatives has long been recognised in Britain where, unlike some other European countries, equity investment is still considered heretical because it undermines the traditional unity between ownership and control. In the absence of equity shareholding, finance can be raised in a number of other ways including:

1. loans from members
2. loans from other supportive individuals
3. loans from banks
4. grants and loans from local and national governments
5. loans from within the co-operative movement

1.1 Loans from Members

Oakeshott, among others, has argued that loans from members are fundamental to the generation of high levels of commitment amongst the workforce and it is a requirement in some co-operatives such as Mondragon in Spain. (Oakeshott 1978) There is a danger that this may mean that only those with resources can join but loans in Mondragon are available through the co-operative bank - the Caja Laboral - for those with no savings. This system

has proved less popular in Britain where the Mondragon requirement has been attacked as 'buying' a job. In a job creation co-operative the requirement to 'buy' the right to work would seem harsh to someone to whom work would otherwise be denied. In Britain, it is still more common for individuals to choose to invest in their co-operative. Loans from individual members do not entitle them to any extra voting power and their loans will be paid at an agreed, fixed rate of interest.

It is possible that those lending money to the co-operative will identify more closely with its commercial success and possibly be less concerned about the basic principles of co-operation. Resentment might occur if these people feel that the others are not supporting "realistic" commercial strategies necessary to ensure the security of their investment. If they constitute a majority within the co-operative, investing members might also try to restrict future membership. This could lead to a high ratio of non-members, turning the founders into traditional hirers of wages labour - the "tyranny of small masters" referred to by the Webbs. Investing members might also take a policy decision to admit to membership only those who commit finance or at least make it obvious that only those with money would be welcomed. Those without investments would continue to work in the co-operative, but have no membership (ie voting) rights. Thus the co-operative would become structurally indistinguishable from a conventional small firm.

There is another form of "loan" which co-operative members provide - sweat equity. In the starting-up period, members often put in long hours for very little pay. It could be argued that this is common for many small businesses but it sets a difficult precedent for co-operatives. Sweat equity might undercut the pay of workers in traditional firms and can lead to a false assumption that the business is viable. It might also foster the resentment of longer-serving members who see new recruits receiving the same pay as those who have invested significant amounts of sweat equity.

1.2 Loans from Individuals

Whilst some politically supportive individuals choose to lend money to co-operatives, the main channel for money raised this way is through the Industrial Common Ownership Fund (ICOF) to which we will return below. Individuals choosing to lend to a specific co-operative are more likely to do so if a relative or friend works there, but this is fraught with difficulties. The lender may want to feel personally involved in order to secure the safety of the investment. The lender's relatives may feel obliged to keep an exceptionally close eye on decisions. If the co-operative fails, it may harm personal relationships.

1.3 Loans from Banks

Worker co-operatives in Britain have found it very difficult to get loans from commercial banks and even the

Co-operative Bank has set very commercial terms. Where banks do make loans the problem of high gearing arises and personal financial commitment by co-operative members is likely to be sought. Banks tend to support the theory that a small business is more likely to prove successful if participants have a personal financial stake. Lack of investment does not, of course, necessarily prove absence of commitment or an unsound business proposal. Nevertheless, banks are wary of such requests for finance. The inability to accept equity shareholding puts co-operatives in a very difficult position in negotiating loans. As security on the loan, banks will often ask for personal guarantees from the co-operative members who own assets such as their home. Such "secured" loans do not afford limited liability and those involved might stand to lose their possessions if the bank decides to foreclose on the co-operative. One Scottish co-operative decided that it was not in a position to eliminate such guaranteed loans altogether, but each member signed a statement accepting proportional liability. Such an agreement spreads the burden more widely, but does not solve the problem. Guaranteed loans are often a last resort when all other potential sources of finance have been exhausted. in recent years, that pool has widened with the advent of various governmental loans and grants for co-operatives and small businesses generally.

1.4 Loans from Government Agencies

In Britain, the main focus of public expenditure in this area has been co-operative development and training. Apart from the initial 250,000 under the ICO Act, there are no national funds for co-operative investment. Co-opratives usually have to compete alongside traditional firms for loans or for government programmes such as the Enterprise Allowance Scheme. A variety of loans and grants targetted at certain industries and geographical areas are also available: a manufacturing co-operative intending to establish itself in an inner city area would find a variety of possibilities open to it. In areas where the local authority is strongly committed to co-operative development as a feature of its overall economic development strategy, there might exist a special loan fund for co-operatives in addition to local authority funding of a Co-operative Development Agency (CDA). The latter will refer requests for finance from potential and existing co-operatives to the loan fund where interest rates are likely to be lower than those offered by the banks.

Britain has no equivalent to the Italian ex-Marcora Act of 1985 where the government can give three times the capital contributed by the workers from failing companies to form a co-operative if they can provide a minimum investment of approximately 1600. (Mellor et al 1988)

1.5 Loans from within the Co-operative Movement

Industrial Common Ownership Finance (ICOF) Ltd.

operates a revolving loan fund, the revenue of which came originally from successful co-operatives such as Scott Bader and the 1976 ICO Act which allocated a one-off sum of 250,000. ICOF also administers revolving loan funds on behalf of several local authorities. Interest rates to borrowers compare favourably with commercial banks and this requires some sacrifice on the part of the lender. In 1987, ICOF launched a campaign to increase its funds by attracting benign investment of half a million pounds worth of so-called co-operative shares. Their prospectus declared that:

> "unlike normal shares, ICOF plc's Co-operative Shares are not designed to be exploitative financial investments. However, the shares should attract a modest annual rate of return*, and should be redeemable at their face value in ten years time.
>
> In the meantime, shareholders can be satisfied that their money has been put to good work, creating worthwhile co-operative ventures and sustaining valuable jobs".
> (ICOF 1987 p7)
> *not expected to exceed 6%

Finance companies generally are finding that there is a clear market for ethical investment portfolios and ICOF could prove successful in raising money this way. As at December, 1986, ICOF's general fund (open to applications from all areas of the country) had a lending capacity of 186,000. The injection of a further 500,000 would clearly be a substantial contribution to this fund. Again, Britain has nothing to match the strength of the co-operative savings in the Caja Laboral in Spain, the only bank specifically for producer co-operatives. The

Mondragon co-operatives are uniquely able to set up in high technology industries because of the collective benefit of the communal savings of the people of the region.

Another potential source of funding is that by trade unions, but to date this has been negligible in Britain. The Welsh TUC has supported co-operatives, but some of these ventures have failed and the trade union movement may in future prefer the more secure route of investment through ICOF or the Unity Trust bank set up by the unions themselves. If secure sources of finance cannot be found then the proud cry of labour hires capital has a very hollow ring and the question of the meaningfulness of the idea of "worker ownership" is at stake. Worker ownership can be a notional rather than a practical state. Although no equity shares are issued, many co-operatives can find themselves effectively "owned" by banks, local authorities and other sources of finance. These institutions have no need to be shareholders to exercise power. Effective control can be exerted by demanding, for example, that certain conditions be met before agreeing to extend an overdraft. A local authority is likely to attach conditions to loans and grants such as requiring that co-operatives locate themselves in specific premises. It appears possible that for many worker co-operatives, and in particular job creation co-operatives, the reality might be common ownership of debts rather than capital. Although the sentiments behind the no equity shareholding

principle are understandable, it might be argued that conformity with the letter of this rule is actually undermining the spirit. If sympathetic sources of equity finance could be raised through pension funds or trade unions, for example, co-operatives could reduce their dependence on the more hostile traditional financial sector. Moves in this direction have already been made. Relaxation of the principle has already been implemented in some co-operatives to allow equity share distribution to supportive organisations such as trade unions. The national CDA has produced a set of rules for use in such situations, but traditional supporters remain suspicious of abandoning this long-established, fundamental principle. What is clear is that the traditional definition of co-operatives owned and controlled by those working within them cannot be interpreted literally. Co-operatives that are, in theory, owned by the workforce can be effectively "owned" by banks and local authorities which can severely compromise control by the workforce. Finance will also be a major determinant of the market sector a prospective co-operative can enter. If access to finance is significantly restricted, co-operatives will be forced into low capital, low-yielding, labour-intensive work and prevented from entering the high capital, high technology, more profitable fields. Overall, the direction of most co-operative finance in Britain has been towards training and development rather than direct

investment in co-operatives themselves. This can reach a ludicrous situation where, for example, a knitting co-operative could obtain funds for management advice, but not buy wool. There seems little chance of a change of direction in policy in the near future and worker co-operatives, particularly when formed by people who are already economically disadvantaged, will remain in low-capital or under-capitalised businesses and this places them in a very vulnerable market position.

2. Control of the Market

As quoted in chapter two, Mandel and Nicholls have argued that adherence to co-operative principles and commercial surivival are mutually incompatible, following in the tradition of the Webbs who formulated the "degeneration" thesis on which these claims are based. The Webbs did, however, recognise that there is not one single market in which co-operatives must compete, but a variety of different markets displaying different degrees of harshness. As Fairclough has noted, the Webbs argued that producer co-operatives in Britain are often formed in the most competitive and harsh sectors of the market and that is still true today. (Fairclough 1986)

For many people, the lack of conventional job opportunities is the major factor in stimulating interest in self-employment. Whilst some pursue traditional avenues, others are attracted to the co-operative form.

When people do not deliberately choose to be self-

employed, but are largely motivated by the need to create their own job, a number of immediate issues arise. Perhaps most obviously, there is the question of long-term commitment to the business and the extent to which founders might treat it as a stop-gap until conventional employment is found. Of more immediate relevance, however, is the question of the appropriateness of the founders' skill and experience to the establishment of a business. In the case of the job creation co-operatives and small businesses, it is precisely the lack of demand for one's skill which prompts the decision to create one's own employment. If the employment then created is based upon those same skills, it is likely that the market position of the business will be difficult from the outset.

The following table shows British worker co-operatives by market sector at the end of 1985:

Table 3: Distribution of Co-operatives by Industry - 1985

Sector	Start-ups	Still Trading		
		No.	%	Workers
Chemical Industry	3	2	67	549
Entertainment & Cultural	88	78	89	470
Retail - food	62	31	50	419
Clothing manuf.	47	32	68	314
Building	77	53	69	305
Printing	62	48	77	267
Instrument Engineering	4	4	100	237
Wholesale - food	16	13	81	143
Catering	35	30	86	141
Publishing	24	20	83	136
Mechanical Engineering	14	13	93	132
Education & Training	20	14	70	120
Transport	17	14	82	110
Architects & Surveyors	22	20	91	105
Computing & Business Services	28	21	75	87
Retail - books	24	19	79	79

(Jefferis New Co-operator summer 1986)

Entry into capital-intensive, high technology markets would appear to remain beyond the reach of worker co-operatives. Whilst there might not be much evidence of enthusiasm amongst potential co-operators for such ventures, it is certainly true that quite tremendous financial hurdles would need to be jumped. It might reasonably be expected that few financial institutions would be prepared to lend capital on the basis of a fixed return with no voting rights and it would be difficult to amass a workforce of sufficient personal wealth to satisfy investment requirements.

It therefore comes as no surprise to note that there are few co-operatives in sectors such as chemicals and instrument engineering. Furthermore, the largest and most successful are conversion co-operatives: Scott Bader in Chemicals and Airflow Systems in instrument engineering.

Clothing and building are placed fourth and fifth respectively in the league of numbers employed and these are important growth areas for job creation co-operatives. The table reveals, however, that these sectors have also experienced failure rates of 32% and 31%, with 68% and 69% of all new co-operatives surviving at the end of 1985.

Cut-make-and-trim and building are markets characterised by **ease of entry**, as manifested in the following:

1. relatively low start-up required
2. labour - rather than capital - intensive
3. access to the market is largely unregulated

2.1 Ease of Entry - The Cut-make-and-trim market sector

Access to the cut-make-and-trim sector is quite straightforward: there are no official restrictive barriers. Relatively little start-up capital is required and CMT is quite an easy market to enter, assisted, ironically, by the relatively high level of closures in the industry. The latter ensures that a reasonable supply of second-hand capital equipment is generally available to new firms. To some extent, this also explains the general availability of custom, although access to "good" orders in terms of price and stability is limited.

Cut-make-and-trim is a volatile section of the notoriously volatile clothing industry. Indeed, CMT is itself a manifestation of that lack of stability because it is predicated upon the retailers efforts to minimise their own uncertainty and risk. Although the firms operating in CMT are theoretically independent businesses, their liveliehood depends upon the patronage of the fashion retailers. The latter, meanwhile, benefit enormously from the practice of sub-contracting the manufacture of their garments to separate firms rather than producing them directly in their own factories. Sub-contracting allows a high degree of flexibility for the retailers: their goods are produced as and when required. They are absolved of responsibility for the hardship facing the CMT firms during slack periods or the problems caused by regularly changing styles and short runs. (Rainnie 1985)

Only a limited amount of new technology has generally been adopted in CMT: mostly in cutting. Significantly, this was traditionally a male "craft" in an overwhelmingly female industry. Status, wages and conditions were generally much higher in cutting than other, traditionally women's, manual jobs in the industry (Coyle 1978). Whilst a number of the larger, more advanced factories use laser or high water-pressure jet cutting machines, most of the smaller establishments still rely on traditional techniques.

To summarise, CMT is a relatively easy market to enter in terms of the three criteria outlined above: it requires low start-up capital, it is labour-intensive and entry to the market is unregulated. Wages and conditions of workers in this industry are, however, still regulated by the Wages Council Orders and apply to all workers over the age of twenty one.

2.2 Ease of Entry - The Property Maintenance Market

In common with CMT, this is a labour-intensive sector requiring little start-up capital beyond some basic tools and equipment. Despite its obvious importance to the quality of the nation's building stock, it is a largely unregulated sector. There are no official criteria to satisfy before establishing an electrical or plumbing firm: individuals with only a rudimentary knowledge of these crafts are legally entitled to set up in business. As a result, it is tempting for unemployed amateur enthusiasts to enter this market unhampered by the need for recognised qualifications. The proliferation of painting and decorating firms advertising in local newspapers provides some evidence of this growing trend.

One important difference, however, is that, traditionally, the building industry is largely an employer of male labour. Like CMT, there is a large number of births and deaths, although it is less closely monitored by either academic or official observers.

It could be argued that one of the main reasons for

this relative lack of information stems from its significant degree of activity in the black economy. (Mattera 1983) Property maintenance is a crowded market, notorious for the operation of "cowboys" who often hire labour "on the lump", i.e. on a self-employment basis designed to avoid the payment of tax and national insurance. Another similarity between the property maintenance market and CMT is the seasonal and often short-term nature of the work. Whilst CMT is governed by the changes in the fashion season, property maintenance is constrained by the weather, with demand peaking in the warm, dryer months and tailing off during winter, (although plumbers and roof repairers can find themselves in demand during the coldest and wettest spells). Again in common with CMT, the lack of consistent demand can cause serious financial problems. Consequently, many property maintenance firms try to secure long-term contracts in the commercial sector, but this is not always a satisfactory solution to uncertainty as the case studies presented later reveal.

2.3 Market Sector and Customer Dependency

Schutt and Whittington have distinguished between two types of firm located in the small firms sector of the economy. Bearing in mind the fact that the vast majority of co-operatives are very small, this analysis clearly applies to co-operatives. Small businesses, it is argued, can be slotted into either the "dependent" or

"independent" sector. Dependency is defined as follows:

> "These "dependent" small firms complement and serve the activities of larger firms, for instance, engaging in sub-contracting. Their economic viability depends upon both the level of activity of their large firm patrons and the "make or buy" decisions of these large firms".
> (Schutt and Whittington 1984)

Clearly, small CMT or property maintenance firms serving only one or a few customers would fall into this category. It would be wrong, however, to assume that the "independent" small firm or co-operative enjoys a secure position:

> "These "independent" firms are of two types: manufacturing and service firms that compete with larger firms by intense exploitation of labour of (often antiquated) equipment; and manufacturing and service firms that do not compete with larger firms, being confined to "niches" of demand consisting of small local or specialised markets".
> (Schutt and Whittington 1984)

Thus, for example, a printing co-operative which survived using out-dated equipment, but depended on its members working a great deal of unpaid overtime would conform to the first type. The second type is particularly interesting.

A co-operative or conventional small business is highly unlikely to find itself in a monopoly selling position or even as a market leader. Two rare examples of this situation have proved short-lived and advantageous to much larger companies. In the case of the small (relative to other firms operating in the sector) computer firms such as Sinclair, it is now clear that these firms took the

risk and bore the cost of developing innovatory computing equipment. Having struggled to establish the market, these firms soon found themselves up against the computer giants such as IBM who quickly moved in, often squeezing the small firms out in the process.

Similarly, the pioneering wholefood co-operatives of the 1970s struggled to establish a market for wholefoods, publicising the relationship between food and politics and campaigning for a fairer deal for third world food producers and curbs on the power of the multinationals. As this market grew, it became increasingly lucrative to the same multinationals and large food retailers which the co-operatives denounced. Consequently, these large firms moved into the production and distribution of wholefoods, emphasising the health and nutritional value of their products, but dropping the political angle. The latter, however, was fundamental to the co-operatives' approach to wholefoods - healthy food and political power were inextricably interwoven.

Schutt and Whittington's model is therefore a pessimistic one for small firms and co-operatives seeking stability and independence. If they do enjoy a relatively secure market position, this is likely to be a temporary phenomenon or attributable to a high level of self-exploitation. "Dependent" firms, meanwhile, are in a precarious market position and are also likely to suffer high levels of self-exploitation as they absorb the costs of "slack".

For the dependent co-operative or small firm working for one or two large customers, minimum levels of output are predetermined and the pace of production is to some extent dictated. Thus the nature of the labour process within the dependent firm is significantly determined by this relationship. There are, of course, other important factors affecting the labour process as discussed below, but it is particularly significant for co-operatives because they are conventionally defined as being owned and controlled by those who work within them. To significantly reduce the level of internal control which can be exercised and replace it with external control is to therefore undermine a fundamental principle of a workers co-operative.

3. Control of the Labour Process

It cannot be assumed that ownership of a job automatically bestows control over that job or even that the latter requires the former. University lecturers, for instance, do not own the university, but are likely to exercise a considerable degree of control over the way they choose to organise their time for research and student consultations. On the other hand, a member of a cleaning co-operative who theoretically owns the business is likely to work more fixed hours and experience less direct autonomy over work content. What distinguishes the two is not the fact that one is their own employer and the other is not, rather it is the nature of the labour

process in the particular industry or service in question. We now turn to the issue of the labour process and question the extent to which worker co-operatives can exercise a degree of control which distinguishes them from conventional firms.

The labour process has been defined as:

> "the means by which raw materials are transformed by human labour, acting on the objects with tools and machinery: first into products for use and, under capitalism, into commodities to be exchanged on the market".
> (Thompson 1983)

This definition, however, operates at a level of generality that is typical of much of the labour process debate. It also excludes services, implying that there is no "labour process" in the provision of goods and services. It is necessary to be more precise if we are to establish whether any element of control over work exists. More specifically, the areas where control may or may not be exercised both in a conventional business and in a co-operative can be usefully broken down as follows:

Production Process
1. tools of production
2. the work environment
3. output

Internal Organisation and Decision-Making
4. administration
5. human resource management

Production Process

3.1 Tools of Production

Before the industrial revolution, work was characteristically organised in small units with artisans

exercising a high degree of control over the organisation and pace of their work. Once work was transferred from homes and small units into large factories, systems of authority developed to deprive the individual worker of much of the initiative and control which they had previously enjoyed. Whilst it is important not to over-romanticise the pre-capitalist economy, it would seem that the individual worker did have the opportunity to exercise initiative and a degree of autonomy which the industrial revolution destroyed. A desire to rediscover self-actualisation through more autonomous forms of working than that offered by conventional workplaces, both private and public, has been a major inspiration behind the historical and contemporary development of worker co-operatives. The association of co-operatives with the idea of the independent workshop has a long history.

However, the enhancement of the quality of working life (QWL) is a concern that is not limited to worker co-operatives. Attempts to introduce these qualities into conventional workplaces in contemporary advanced capitalist economies are proving increasingly popular. Employees are encouraged to participate in on-the-job decision-making through a variety of schemes such as workers suggestion boxes and quality control circles designed with the intention of inspiring greater initiative and performance from a company's workforce. Such schemes in conventional firms have elicited a mixed

reponse. Critics have argued that they are a form of "pseudo-participation" intended to increase company profitability with little or no benefit to the workforce. (Elden 1981) Instead of the workforce exercising a greater degree of control over their working environment, they are contributing towards their own exploitation. In contrast, worker co-operatives are seen to represent genuine opportunities for worker participation and control.

Whatever the outcome of this debate, any participation must be limited by increasing mechanisation as new technology develops and machines replace people. In contemporary industry and commerce in many cases it is clear that machinery effectively controls the worker. The pace and type of work on a motor car conveyor belt or the speed of a bank computer is not determined by the worker. Instead, the programming of those machines determines the speed of the operator. Mere technological determinism is not, however, an adequate analysis of control. it is clear that some groups of workers have greater control over 'their' tools of production than others: a maintenance worker compared to a line worker: a store supervisor compared to the checkout cashier, for example.

Choice, and hence control, of technology, is expressed in two ways:

-what technology is purchased
-how the technology is used

In co-operatives, there is often little choice about

the technology that is purchased or hired. Phoenix co-operatives often inherit the technology, and hence the productive ability and capacity of their previous workplace and this is not always ideal. Indeed, inappropriate or out-dated equipment might have been a contributing factor in the demise of their previous company. As Judy Wajcman has noted:

> "Fakenham had been closed down by Sextons because it was an unprofitable satellite unit. Although the enterprise's new autonomy enabled the women to go into production of any sort of leather goods, their work remained predominantly in the shoe trade where their expertise lay".
> (Wajcman 1983 pp56-57)

The fledgling co-operative is thus tied in to the previous type of production and sometimes even to the previous firm or major contractor in a dependency situation. (Bate and Carter 1986, Webster 1984) Others will be severely constrained by the amount of money available, and also by the need to purchase equipment which is capable of producing the required output. Such machinery is designed to be used in a capitalist business and therefore imposes its own constraints. New technology is not neutral, and a major objective inherent in its design is the desire to elicit greater productivity from fewer workers. But if the workforce has, within certain parameters, responsibility for choosing their specific equipment and work practices there may be some room for manoeuvre.

In circumstances where co-operatives are able to purchase from scratch, then it may be possible to adopt

criteria other than productivity as a basis for their choice. A co-operative might decide to purchase machinery which is less efficient than others available, but potentially less hazardous to health and safety. The question of how machinery is used may allow greater autonomy for the co-operative. A new computer might be used to create spare time, reduce tedious work or even to create more interesting work. In other words, some degree of control over technology remains with the workforce itself. Most importantly, the decision about how to use the free time created by the introduction of new technology will rest with the people freed. In a conventional business, the worker is likely to be made redundant or allocated to another task by management. A co-operative might decide to ask workers to tackle another task, or decide to extend the lunch hour or cut the length of the working day.

3.2 The Working Environment

In a conventional business the physical layout of the factory or office is decided by management on the basis of a combination of efficiency and control. Factories are organised around a work-flow aimed at maximising output. The classic Hawthorn experiments also illustrated how other factors in the work environment, both physical and human, are taken into account: heating, lighting and work groups, for example (Roethlisberger and Dickson 1964). A modern office or factory will be designed to ensure that

it is conducive to efficient working.

As with technology, co-operatives are not free to make unconstrained choices about their work environment. If the co-operative is desperately struggling for survival, sacrifices might be made which result not only in unpleasant working conditions, but constitute a breach of health and safety regulations. For example, describing the experience of a short-lived textile co-operative in Wales, the author relates how:

> "to save money, we did without heat in the factory, and it was December. Coats and gloves became the order of the day ..... it was awe-inspiring to see their white faces, surmounting bulky dressing gowns that didn't keep them warm, stoically working in an icy damp factory which we all knew had had minimal maintenance since goodness knows when. I came out into the street to get warmed up".
> (Webster 1984 p17)

Such working conditions are clearly little short of Dickensian and, had they continued, would have endangered the health of the workforce. It is no excuse for co-operatives to point out that equally appalling conditions can prevail in small, private textile factories. Although this may be true, to accept its logic is to strip co-operatives of a fundamental principle. If a co-operative cannot provide its membership with basic standards of working conditions, critics would appear justified in suspecting that they can become vehicles for self-exploitation.

Co-operatives may attempt to modify the work

environment to "humanise" their surroundings, but they can only operate within the parameters set by the need to produce a given output within a certain amount of time. A degree of flexibility over hours worked might be limited, but nevertheless significant to those involved. Flexibility in relation to hours of work and childcare will again be limited by the need to compete. Nevertheless, there can be some room for manoeuvre allowing co-operatives to reject rigid, clock-dictated hours of work. Thus, if there comes a point when their workload is exhausted co-operators do not need to pretend to be busy until it is official finishing time.

Flexible working hours can be essential to the parents of pre-school and school-age children and co-operatives can prove particularly attractive to people in this situation. At Fakenham, a special shift was introduced to allow the women to take their children to school and pick them up afterwards. One woman brought a child into the factory every day and others did so during the holidays. (Wajcman 1983) This breaks the artificial distinction between paid work and domestic labour that women have long argued against. (O'Brien 1981) Many alternative co-operatives have contributed towards the re-definition of childcare as a "public" rather than a "private" concern by paying special allowances to those with children and some have developed childcare rotas whereby co-operators children are looked after by several members, not necessarily parents themselves. Although these examples

hardly constitute a fundamental breakthrough in the organisation and control of the work environment under contemporary capitalism, they nevertheless show that small, but important alterations can be made to suit people rather than profit.

3.3 Output

It is at the level of the productive process itself that the issue of control is most manifest. It is here that co-operatives, like other businesses, feel the pressure of the capitalist market place most intensely. We have seen that a co-operative is unlikely to find itself in a monopoly selling position or even, over a sustained period, as a market leader. A co-operative is unlikely to be able to determine the type, quantity or price of its product, particularly if it is linked into a single buyer. The speed and skill required to produce competitively conflicts with the ability of co-operatives to practice preferred forms of work organisation. One example of this would be job rotation, the aim of which is to allow members to acquire new skills, spread information and enhance awareness of all aspects of the business.

Internal Organisation and Decision-making

Administration and human resource management are amongst the functions which, in a conventional firm, would be the preserve of "management". This term often inspires hostility among co-operators because of its capitalist and hierarchical connotations, while job

creation co-operators can be contemptuous or in awe of it. (Wajcman 1983, Tynan 1980, Cockerton and Whyatt 1984) No organisation can ignore the issue, and co-operatives have to bear in mind that they cannot afford to be anti-management, but rather attempt to practice self-management. In a conventional large firm, there will be a recognized vertical power hierarchy representing management at its various levels. There will also be horizontal specialization of work roles among managers. (Farnham and Pimlott 1986 p141) The latter will have responsibility for distinct areas such as finance, personnel or exports. It is therefore possible to identify two functions of management: the exercise of authority and control on the vertical side and the execution of specific tasks on the horizontal. The two functions are, of course, interrelated because the degree of authority possessed at work is closely allied with the nature of the work performed. The latter determines the nature of the skills and knowledge acquired within the workplace and it has been argued that this is an important factor determining levels of participation in co-operative decision-making. (Cockerton and Whyatt 1983)

A job creation co-operative producing a product or service which requires only minimal manual skills still needs to conduct the tasks conventionally undertaken by managers. It is useful to break down the different functions of management under the following headings:

Administration	Human Resource Management
Forward planning and marketing	Recruitment
External relations	Production and supervision
Routine administration	Discipline and dismissal
Financial control	

The items on the left largely correspond with the horizontal line of management, whilst those on the right are largely the preserve of the vertical. For most small businesses, as well as co-operatives, these lines of organization and authority become blurred and a range of tasks with considerable power can reside in a single individual. In a small business, this is likely to derive from ownership, but in a co-operative ownership is nominal and dispersed. There is then no natural focus of authority, and conflict can therefore be generated about the distribution of both power and work tasks. Echoes ring here of the Webbs' fear about the emergence of a "tyranny of small masters". A major safeguard against this development is the implementation of job rotation. The latter is important both to the maintenance of democratic control and the opportunities to exercise autonomy, complexity and variety (ACV) identified as crucial to the development of feelings of personal and political efficacy in chapter three. It therefore merits discussion before going on to discuss the various aspects of administration and human resource management.

Job rotation

Assuming that participants already have or are willing

to acquire the necessary skills, job rotation allows co-operators a degree of variety in their work, alleviating boredom and presenting an opportunity to acquire a number of skills (autonomy and complexity). Whilst there can be significant advantages for the individual, it is also argued that the co-operative as a democratic institution will benefit. (Batstone 1983) The workforce will develop knowledge and confidence in the operation of the business as a whole, not just one area. In addition to safeguarding against the development of unofficial power hierarchies, it also encourages greater participation in decision-making as participants feel more confident in the relevance of their contribution and are less likely to defer to perceived experts. It could therefore be argued that job rotation offers significant scope in the democratisation of work and the demystification of tasks associated with management. Batstone has also argued that it is a fundamental safeguard against the "degeneration" process. (Batstone 1983)

There are, however, obvious limitations to the practice. The United States has a number of co-operatively organised medical centres, but only doctors can perform the work of doctors. Britain has a growing number of professional co-operatives in areas such as computer software and architecture. Clearly, very specialist skills require years of academic and practical experience. There might be others in the co-operative performing other tasks, but unable to contribute towards

the workload or responsibilities of the qualified professionals. More commonly, if someone is unable to drive then they can't deliver the co-oeprative's goods. If they have no aptitude or interest in learning, there might seem little point in forcing the issue. Rob Paton has noted that job rotation can present problems of efficiency:

> "first, there is the danger that everyone does everything badly - or at least laboriously. By rotating people quickly through routine tasks, one removes a major incentive for people to develop the short cuts, dexterity and carefully arranged methods whereby those lumbered with such jobs permanently are able to keep one jump ahead of management. Secondly, it may be that such an organisation constitutes the worst possible arrangements as far as the introduction of changes are concerned; no-one has specific responsibility, but everyone is affected and must agree."
> (Paton 1978 p47)

Paton's points clearly illustrate a potential contradiction between the achievement of desired democratic structures and the need to compete and survive in the market.

In the exercise of most of the functions discussed below, job rotation is a possibility. If practiced, it provides a general opportunity for individuals to develop skills and confidence.

3.4 Administration

3.4.1 Forward planning and marketing

Large corporations attach a great deal of significance to the function of forward planning. Assessing trends,

identifying markets and then planning accordingly are considered essential to the company's long-term survival and success.(Farnham and Pimlott 1986) In contrast, small companies are relatively poor at long-term planning, either because they lack the expertise or time or because their future is so uncertain that it is difficult to plan with any degree of certainty.(Bolton 1971)

The majority of co-operatives probably conform more to the experience of the small firms than the large corporations. Often lacking any of the basic ingredients of time, money, expertise and actual or predicted market security, forward planning can appear fanciful or impossible. For the small firms caught in the trap of dependency, their future is often determined by the strategies of their customers. An example of this was the Pitbottom shoe co-operative, described by Bate and Carter. (1986) Formed after the closure of a factory belonging to a large shoe corporation, Pitbottom never managed to achieve independence in its status or strategy. Having undertaken not to compete with the departing owners, the latter provided subsidised accommodation and, eventually, sub-contracting work. The new co-operative soon became entirely dependent upon the ex-employer for its continued existence. Pitbottom could see no way out of its dependent situation. It is unlikely that it could do so without a substantial injection of capital (and possibly specialist skills) to allow it to launch its own

independent product.

For job creation co-operatives, the problems presented by forward planning and marketing can be particularly acute. Often, the membership lacks any previous experience in such functions and may not recognise its significance to successful development. (Cornforth 1985, Berry and Roberts 1984)

Two quite separate problems would therefore appear to emerge in relation to the scope for control in the execution of the forward planning and marketing function. The first brings us back to the economic constraints identified earlier: if the co-operative is so dependent on one or a few customers that it effectively surrenders its autonomy, forward planning and marketing will become marginal or non-existent. Socio-cultural factors are, however, also significant. If participants' previous social conditioning has led them to believe that all functions traditionally associated with management are difficult and priveleged at the same time, they might exhibit unwillingness to undertake those tasks themselves and resentment if others attempt to do so. This, of course, holds true for all of the other tasks listed here and associated with management.

3.4.2 External Relations

Every business must liaise and negotiate with a variety of outside bodies. In a conventional firm, responsibility for this task will vary according to the nature of the

issue from senior management level down to clerical workers. If, like the majority of co-operatives, the firm is very small, responsibility is likely to be vested in one person, usually the owner-manager.

In the co-operative, much will depend on whether or not it decides to appoint an administrator, or whether the tasks are divided up between the workforce, or whether it is simply executed on an ad hoc basis. Also significant will be the involvement of the local CDA, as this is an area in which there is likely to be much pressure, from both within and outside the co-operative, for continued CDA support. (Cornforth 1984)

It will be very difficult for the co-operative to assume an identity in its own right for as long as contacts are made through a CDA worker. Again, however, people with little or no previous experience of this kind of task might find it more comfortable to pass it on to a "professional". However, it is precisely the experience of involvement in such activities which is likely to enhance the self-confidence of participants. If this opportunity is not available, neither will the possible accompanying developments in personal confidence.

Co-operatives can decide to take full responsibility for liaising with external authorities, but as Cornforth (1984) has noted, this is likely to be more difficult for job creation co-operatives which might encounter both internal and external pressure to abdicate responsibility

to a "professional". As already noted, participants may feel more secure if the work is undertaken by a CDA worker or hired "expert". But funding authorities or customers may also prefer, or even demand, that they consistently deal with an expert. (Wajcman 1983) The extent to which job creation co-operatives can overcome these pressures will be a significant factor in determining their long-term degree of genuine internal control and responsibility.

3.4.3 Routine Administration

It might seem incongruous to include routine clerical work as a function of management. Evidence would suggest, however, that co-operatives with a working class membership tend to consider all "non-productive" work in a very ambivalent fashion. (Wacjman 1983, Tynan nd, Emerson 1982) It is considered difficult, but priveleged at the same time. Eirlys Tynan refers to the inability of the workforce at Sunderlandia to credit any "non-productive" work as legitimate and recounts how non-producers were asked to justify their time and explain their functions at the general meeting. Significantly, she goes on to note that explanations were required when morale was low.

Co-operators whose previous work experience was low-status and manual were found to be particularly suspicious of the necessity and value of time spent on routine administration.(Tynan nd) It is commonly regarded as "a skive"(Wacjman 1983) and in this respect, the ambiguity

displayed is no different from that of many shop floor workers in conventional firms.(Benyon 1985) Of course, co-operators with previous work experience will develop their attitudes towards work and management during employment in conventional firms before joining co-operatives. This prior conditioning can prove difficult to "unlearn".

The appointment of a full-time administrator would remove the need to develop a collective strategy towards the implementation of this function. Once more, however, it would remove the potential learning experience and scope for ACV which it might offer the membership in general.

Resolution of the "legitimacy crisis" associated with this and other functions might be overcome with the implementation of a job rotation policy.

3.4.4 Financial Control

Irrespective of a co-operator's work experience, financial management is an area in which everyone will have at least some experience through the managing of their own personal and household finances. Accountancy nevertheless retains an aura of mystery and complexity. Unlike the rest of the business world which often seeks to maximise its use of credit, it would appear that many co-operatives, particularly those with a working class membership, have a horror of debt. Its stigma is buried deep in working class culture. One co-operative, realising

that it was no longer viable, was primarily concerned with paying off all creditors:

> "We wouldn't have it said that co-operatives run up debts and then didn't pay them. (Webster 1984)

Since worker co-operatives cannot offer equity shareholding, many become caught in the "high gearing" trap where loans can only be raised at high rates of interest and/or with personal guarantees. Clearly, this can impose tremendous financial constraints. It has already been stated that the reality of ownership in a co-operative can be the collective ownership of debts rather than assets. In such a bleak situation, the experience of financial management might present new opportunities and skills, but it can also be a particularly stressful experience.

3.5 Human Resource Management

3.5.1 Recruitment

Like any other commercial organisation, co-operatives are faced with choices about recruitment policy at the beginning of their life and throughout their existence. Inability or unwillingness to develop a coherent strategy could prove extremely damaging.

In his study of Neighbourhood Textiles, Tony Emerson discusses recruitment and suggests that inept procedures allied with a shortage of suitably skilled local applicants resulted in the co-operative's inability to acquire the necessary personnel. Interviews failed to

evaluate candidates' degree of suitability in terms of both manual skills and willingness to work co-operatively. A coherent recruitment strategy and interviewing policy was never formulated and, according to Emerson, was a major contributing factor in the factory's failure. Recruitment is therefore significant to co-operative success as well as offering scope for the exercise of "high discretion" skills. Preparing a recruitment strategy, drawing up job descriptions and interviewing all provide opportunities for the latter.

3.5.2 Production and Supervision

Like other forms of business, co-operatives must ensure that their product or service is delivered on time and at the right quality. How this process is executed will vary and is likely to be determined by the appointment or otherwise of a manager and the practice of job rotation.

The central dilemma here is the issue of control. Ensuring continuity and quality implies the exercise of control over other workers and this can cause resentment. One member with quality control responsibilities in the Sunderlandia building co-operative:

> "found the assumption of responsibility harassing enough but combined with the perpetual questioning and criticism from some men he found it intolerable". (Tynan nd p20)

It might be argued that the exercise of this function in a co-operative requires exceptional inter-personal skills. Ideally, it would be rotated to minimise the risk of the (real or imaginary) abuse of power as well as the

development of new skills.

3.5.3 Discipline and Dismissal

The prospect of co-operative members ultimately denying continued employment to their colleagues is probably the most potentially divisive issue with which a co-operative must come to terms. The question of authority and control is at its starkest in issues relating to discipline and dismissal.

Allegations of co-operatives' inherent inability to confront discipline and dismissal problems is a central theme of the Webbs' degeneration thesis and Tynan's account of the sacking of a plumber at Sunderlandia would appear to bear it out. She records that the co-operative:

> "was apparently reluctant to sack White in a way that would prevent his claiming state benefit, on the grounds of bad timekeeping for instance, and so he was summarily dismissed. What emerged was that he sued for unfair dismissal, none of the ....members would speak against his character (at the tribunal) and the firm was obliged to pay compensation." (Tynan 1980 p35)

It is in the process of learning to confront and manage conflict that participants can develop inter-personal skills. However, it is probably the most difficult issue for a co-operative to resolve.

The Potential Scope for Control and its Significance

In most of the areas outlined above, it is clear that the reality of operating within the capitalist labour process will significantly constrain the potential scope for genuine control which the membership of a co-operative can realistically expect to exercise. Thus, many

preferences which the co-operative might have will be unattainable because of forces which are beyond its control. Nevertheless, some choices do remain, although it is likely that a co-operative will at times be faced with both internal and external pressures to conform to conventional practices.

Conclusion

In this chapter we have sought to establish the room for manoeuvre afforded to job creation co-operatives. We have seen that the constraints are significant, but that opportunities to exercise a degree of control nevertheless exists. The question which emerges is whether that degree of control is adequate to provide a work environment sufficiently distinguishable from that of the conventional firm to nurture co-operative consciousness and feelings of personal and political efficacy. We now turn to examine the case studies selected to address this question.

Chapter Six

The Case Studies and Profile of Participants

Introduction

This chapter explores the design and development of the research programme. The reasons for selecting the particular regions, market sectors and the individual co-operatives within them are outlined, followed by an analysis of the circumstances in which the co-operatives were founded. From this, the initial influential factors in the co-operatives' early development are identified.

Often operating in highly competitive markets in economically depressed areas, we have seen that many job creation co-operatives are founded in inauspicious circumstances. Clothing and property maintenance are two such market sectors in which there are a growing number of co-operatives (see table 3) and Scotland and the north east of England are two areas badly hit by the economic recession and consequent loss of jobs from the mid-1970s.

Choice of Regions

It was decided to select case studies from more than one region to allow comparison of the relative importance of influential factors in each. Two areas with high levels of unemployment and experiencing a growth in the formation of job creation co-operatives needed to be identified.

Based in the north east of England where strong contacts with the local co-operative movement had already

been forged, it seemed logical for the project to study co-operatives in this area. Scotland emerged as the chosen second area, again because of familiarity with, and strong contacts within, the Scottish co-operative movement, but more importantly because of the strong similarities between the two regions.

It was decided that the choice of two regions sharing many similarities would allow for consistency in several key areas, making it easier to identify significant variable factors. Thus co-operatives located in Newcastle-upon-Tyne and Sunderland were chosen in the north east of England and co-operatives in Glasgow and Fife chosen in Scotland. The similarities are as follows.

1. Similar Industrial Bases Glasgow and Newcastle share a common industrial history based on the declining traditional industries, particularly shipbuilding. Sunderland also has a diminishing shipbuilding industry, but like Fife, is a major historical coal-mining area.

2. Similar Political Tradition There is a strong labour movement tradition in each centre: central Fife returned a Communist Member of Parliament between the wars and the party retains a presence on the local council. It is the Labour party, however, which is the dominant political force in each centre and large majority Labour Councils control each.

3. Local Authority Support for Co-operative Development In each area, the local authority is committed to co-operative development and contributes towards the

financing of a Co-operative Development Agency (CDA). The CDA serving the north east of England is called the Northern Region Co-operative Development Association and the CDA serving all of Scotland is called the Scottish Co-operatives Development Committee.

What does differ significantly is the philosophy and practice of these two CDAs. This emerges during the research as a significant factor in determining the development of the co-operatives in each area. Their differences therefore merit examination.

The Northern Region Co-operative Development Association (NRCDA)

NRCDA came into existence in 1978 when it was established on a voluntary basis by interested political activists. Funding was secured from the Tyne and Wear Metropolitan County in 1982 and the Association began to employ full-time development staff from this time. It is managed by a committee comprising staff, representatives from co-operatives, the funding authorities, the co-operative bank, trade unionists and individuals sympathetic to the co-operative movement. From the outset, NRCDA has promoted a "labour movement" image by attaching a high priority to developing good relations with the local trade unions and encouraging new co-operatives to become unionised. In 1984, at the height of the Conservative government's drive to privatise municipal and health services, NRCDA adopted an "anti-privatisation" charter in which it stated its opposition to this policy

and its refusal to deal with potential co-operatives intending to become involved. NRCDA's staff have tended to be Labour party members or sympathisers and, in its 1985 annual report, the Association reports its activity in the Political Topic Group of the national network of CDAs. This is a network of CDAs largely funded by Labour-controlled authorities which developed in the early 1980s. Although this working group has a remit to support worker co-operatives amongst all parliamentary parties, its strongest ally is the Labour party which published a "Co-operatives Charter" as part of its Jobs and Industry campaign. In 1985, NRCDA was active in the organisation of the Charter's national launch in the north east of England.

The Association therefore maintains a left-wing profile within the area, able to do so presumably because its funding comes from sympathetic Labour-controlled authorities. Since the abolition of Tyne and Wear Metropolitan Council, funding is forthcoming from several district authorities within the region, all Labour-controlled and including Newcastle City and Sunderland Borough.

The Scottish Co-operatives Development Committee - (SCDC)

Founded in 1977, SCDC is the oldest CDA in Britain. Covering the whole of Scotland, SCDC deals with a much larger area than any other local or regional CDA. Based in Glasgow, SCDC employs development workers in this office to cover southern Scotland, whilst others covering

the north and Fife operate from bases in Aberdeen and Kirkcaldy.

Funding of the organisation is much more complex than that of NRCDA. Strathclyde Regional Council, covering an area in which half of the Scottish population lives, has always been a major source of finance, as has the Scottish Development Agency (SDA). Since 1983, funding from other local authorities has increased, but is calculated largely on a "consultancy" basis where SCDC are commissioned to work on specific projects. Commenting on this development in the 1985 Annual Report, John Lewis, Chair of SCDC said:

> "an increasing number of the funding agreements entered into with local authorities are based on this (consultancy) type of agreement. SCDC are very pleased with this type of funding as it encourages us to aim at results and prevents us entering into the "activity trap" which is the curse of so many community-based employment initiatives".
> (SCDC Annual Report 1985 p2)

The underlying hints at "efficiency" contained in this statement are characteristic of this organisation. In contrast with NRCDA, SCDC has always been at pains to distance itself from any party political or labour movement identification. Since 1984, it has increasingly employed the term "employee owned business" rather than co-operative because, like the national CDA discussed in chapter four, it considers the latter term inappropriate because of its radical and allegedly "unbusinesslike" connotations. The management committee of SCDC is drawn

from similar sources as that of NRCDA, with one important addition - the Confederation of British Industry (CBI). NRCDA has no representative from an organisation representing the interests of conventional business. The representative from the CBI has tended to be quite active in SCDC, whilst the Scottish Trade Union Congress (STUC) representative has not.

Altogether, the political profile of SCDC is quite significantly different to that of NRCDA. The former is keen to be recognised as a legitimate force within the conventional Scottish business community, adopting its terminology and criteria, but arguing at the same time that co-oepratives, or employee owned businesses, produce a more satisfied (and productive) workforce:

> "Scottish co-operatives are viable and unsubsidised and prove that businesses run as worker co-operatives can be just as efficient and rewarding to work in. It is also interesting to note that the failure rate for worker co-operatives in Scotland is very low in comparison with published figures for conventional new business".
> (Co-operation at Work in Scotland nd)

The accuracy of this allegation that co-operatives have higher success rates than small businesses has been challenged by Thomas (1986). It also begs the question of the conditions under which co-operatives manage to survive.

Although not a CDA as such, the Industrial Common Ownership Movement (ICOM) had a northern branch which was, during the period of this study, an active and influential

force in the promotion and development of co-operatives in Tyne and Wear. It therefore requires examination.

Industrial Common Ownership Movment (ICOM) North

An active branch of ICOM had flourished in the northern region from the late 1970s. Its membership was largely drawn from the local alternative co-operatives. Funding was secured from the Rowantree Trust between 1981-84 to establish a staffed office. It is significant to note that the funding of ICOM North coincided with that of NRCDA, and the two organisations never managed to agree on the remit of each.

ICOM strongly believed that people should choose to work co-operatively rather than have the option presented to them as a condition of employment. During interviews conducted for the research, one of their workers argued that the creation of a development work "profession" was subsuming the voluntary essence of co-operation and the rapid growth in the numbers of co-operatives was based on insubstantial foundations both in terms of ideological commitment and commercial viability.

ICOM identified its main strength as being its firm roots in, and continuing involvement with, the older existing co-operatives. Its staff and volunteers were drawn from this (alternative) background and believed that their practical experience of co-operative working, largely absent amongst the development wrokers of NRCDA, could be utilised in advice and training work.

Thus ICOM North argued that NRCDA should concern itself

with advice and support on "business" matters, whilst training in co-operative organisation should be left to the practitioners. NRCDA rejected this distinction between co-operative "business" and "organisation", arguing that the two were inseparable. ICOM North, they argued, should concern itself with being a membership organisation for local co-operatives and, whilst it might have an occasional role to play in training initiatives, this should be a secondary activity.

The relationship between the two organisations degenerated into a very unco-operative cold war and by the time ICOM lost its funding, there was very little constructive dialogue between the two.

The degeneration of this relationship had, for some time, significant consequences for co-operative development in Tyne and Wear. An increasing polarisation between the alternative co-operatives who identified and sympathised with ICOM and the job creation co-operatives who had contact with NRCDA resulted in the two "types" of co-operative having little contact with each other.

An important exception was ICOM North's contact with women in a few predominately female job creation co-operatives. This arose out of a joint ICOM North/Workers Educational Association (WEA) course for women setting up co-operatives which occurred in Newcastle in the autumn of 1983. Four of the course participants were in the process of setting up Challenge, the Sunderland-based

clothing co-operative selected for study in this research. Contact with ICOM at this stage left a deep impression on the women involved who believed that they had benefitted from the course and respected the philosophy and commitment of the tutors involved. Thus they developed a good, ongoing relationship with ICOM North whilst working at the same time with NRCDA to produce the business plan for the co-operative. Their support from, and identification with both "camps" gave them a more complete picture of the conflicting ethics which divided the two organisations.

ICOM has no organised and active branch in Scotland although many of the older alternative co-operatives are members and registered using ICOM model rules. Registration with the latter automatically entitles the co-operative to a year's membership of the organisation, including receipt of the newsletter and details of publications and activities. SCDC recommend that co-operatives register using a cheaper set of rules devised by them and, as a result, many of the non-alternative co-operatives in Scotland have no contact with ICOM and will not necessarily be aware of its existence.

NRCDA recommend registration using ICOM model rules but are showing increasing interest in an alternative set devised by Coventry CDA which would allow co-operatives a limited degree of external shareholding.

Similarities and Contrasts Important to the Research

It is clear from the above discussion that there is no

homogeneous common approach to co-operative development and, although many of the circumstances faced by job creation co-operatives in such similar areas as Newcastle-Upon-Tyne, Sunderland, Glasgow and Fife will be common to all, others will be quite different. More specifically, the economic and political climate is very similar as are the obstacles in the way of developing commercially viable businesses in areas badly hit by the recession. The significance that people with no prior knowledge of co-operatives will attach to their co-operative status and the actual manner in which that will be translated into the everyday running of the co-operative will undoubtedly be influenced by the advice and direction of the supporting agencies. In other words, the manifestation of **co-operative consciousness** will be havily influenced by these organisations as discussed in chapter eight.

The Selection of Market Sectors

Two market sectors - property maintenance and cut-make-and-trim in the clothing industry were chosen. As illustrated in table 3, these sectors have a relatively high concentration of job creation co-operatives. Clothing and building are placed fourth and fifth respectively in the league of numbers employed. These sectors have also experienced failure rates of 32% and 31%, with 68% and 69% of all new co-operatives surviving at the end of 1985. The popularity of these sectors amongst potential job creation co-operators is enhanced by the following factors:

Clothing	Property Maintenance
-high levels of factory closure	-low skill entry requirements
-instability of employment in the CMT sector	-low capital required
-although relatively high levels of initial capital investment required, grants forthcoming because it is "manufacturing" industry	

Clothing is predominately an employer of female labour, with women constituting eighty per cent of the workforce in the sector. (Coyle 1985) As discussed in chapter four, however, the minority male is vastly over-represented in the more prestigious jobs such as cutting.

In contrast, building and property maintenance is a traditionally male sector occupied by "craftsmen" or "labourers", occupations traditionally closed to women. With respect to both market sectors, it will be interesting to examine the extent to which the co-operatives depart from tradition and social conditioning to embrace policies of equal opportunity.

In the following background to the co-operatives selected for the case study, this issue emerges as one where, at least initially, participants were finding difficulty in breaking with tradition.

The Selection of Co-operatives

It was decided to select co-operatives which were in the late stages of pre start-up preparation, thus enabling the expectations of Founders to be gained through

interviews conducted prior to commencement of trading. As discussed in the following chapter, a longitudinal survey of participants was undertaken.

All of the participants in each of the co-operatives would be interviewed to eliminate the problem of devising a "representative" cross-sample. Four was considered to be a manageable number of co-operatives: two in property maintenance and two in cut-make and trim. Each had a "twin" in another area, and those finally selected corresponded in origins and numbers as outlined in the following table:

Table Four The Co-operatives in the Study

Co-operative*	Location	Commenced Trading	Members** M	F	Total
Challenge	Sunderland	Oct. 83	1	15	16
Scottish Textiles	Fife	Sep. 83	1	10	11
Home Services	Newcastle	Dec. 83	3	0	3
East End Contractors	Glasgow	Nov. 83	3	1	4

*Names have been changed to protect anonymity
**As at January 1984

Origins - Challenge

Both clothing factories were founded by people recently made redundant from other local clothing firms and this experience was of central importance in their decision to establish their own factory. All three of Challenge's instigators had previously worked together at Hifashion where, prior to the company being put in the hands of the

Receiver, they had received no wages. When they recognised that the company was about to close, there was a spontaneous decision to occupy the factory. This happened when the Bailiff arrived to remove the machinery. In the words of one participant:

> "The Receiver had told us to keep the Bailiffs out, so when the Bailiffs came with a lorry, we ran and locked the doors - some of us stood outside. The Sheriff came and he said that if we stopped them getting in he would call the police and get us arrested....So, we stood outside and they (the bailiffs) came in. But we won the day because they didn't take the machinery away, then the Receiver came in and we worked for two weeks for the Receiver... Everybody was starting to leave and wondering if they were ever going to get their five weeks wages, and so we decided to do something. That was the first day - when I went to the Citizens Advice Bureau. I knew about co-ops, but not how to start them or anything. Anyway, she was very helpful and put us on to NRCDA"

Their successful short occupation and resistance to the Bailiffs boosted the confidence of the three women who decided to found a co-operative. It gave them the courage to build on their success and prompted their decision to try to hold the workforce together. Other co-operatives have been conceived in similar circumstances: the Scottish Daily News and Fakenham, for example. In contrast with the role of the relevant union in the latter, however, the official from the National Union of Tailor and Garment Workers Union was very supportive of the women's action during the occupation of Hi-fashion and, later, the decision to found Challenge:

> "The full-timer with the Tailor and Garment Workers Union stood out with us when we were fighting the Bailiffs off.... He was overjoyed that we were starting for

ourselves. He has been really good - he was here last week giving us encouragement".

Although the support was moral, not financial, the women appreciated the union's interest in their struggle and, as discussed in chapter nine, this experience influenced their later attitudes towards union membership with the co-operative.

The decision that their new business should be registered as a co-operative was taken consciously by the founders of Challenge, despite their having very little awareness of a co-operative's distinguishing features. Instead, there was a vague notion of "no bosses", but this in itself was adequate recommendation for the three women concerned. All were convinced (as were those who joined them at a later stage in the pre start-up process) that "poor management" had closed all the previous factories from which they had been made redundant. This deep-rooted scorn for "unproductive" management led to problems after the co-operative started trading, but it was the main impetus behind their choice of co-operative status. One founder described the failure of Hifashion as follows:

"it closed down because of bad management. It got to the point where the official letters didn't have enough space at the bottom for the names of the Company Directors. They tried to expand too much, buying more and more machines when there were no machinists to work them. We had the orders - but they kept buying more and more stuff in. We had stacks and stacks of orders".

There was no shortage of vacancies for skilled machinists in the area and the founders could quite easily

have secured employment elsewhere. Rather, the problem was one of finding secure employment. Two of the founders had been made redundant three times in two years, a situation not uncommon in the clothing industry. Two founders were the sole breadwinners in their family and dreaded the financial uncertainty of working for many of the local firms with a "fly by night" reputation:

> "We didn't know anything about starting the co-operative up, not a thing. What we were going to do was try to raise some money for ourselves, our family. But we worked for five weeks with no wages and it was very hard. Our husbands were on the dole. We couldn't stand the uncertainty any more".

Unanimous amongst the founders of Challenge was a belief that there was no shortage of orders for good, reliable firms in the CMT sector and that "bad management" was largely to blame for factory closures in this sector.

By establishing their own co-operative which would dispense with "management" as it had existed in their previous workplaces, and by building upon the reputation of quality of work enjoyed by Hifashion, the women believed that they could create a successful factory. Promises of orders for the co-operative were quickly secured from previous customers of Hi-fashion who, argued the founders, recognised and valued the skill and reliability of the workforce. These customers were well-known, up-market London designers who also put a sizeable proportion of their work out to homeworkers.

All of those invited to join the co-operative by the

three early instigators were well-known to the latter and selected on the basis of their skill and commitment:

> "We knew the capabilities of the people we had worked with at Hi-fashion, we had worked with some of them for years in different factories. They had to be totally commited to the co-op, it wasn't any good having anybody who wasn't. I mean, we were prepared to work twenty four hours a day if we had to to make it work because it was a job, security".

Obtaining finance for the co-operative proved a major obstacle because sources were sceptical about the prospects of a clothing co-operative. Although the banks and local authorities never admitted this outright, the founders believed that they couldn't take seriously a co-operative run by women. Their lack of previous management experience was, however, openly used as an argument against funding by both banks and local authorities.

The founders missed the opportunity to bid for the machinery from their previous employer when it was sold by auction because their loan application to Sunderland Borough Council was refused twice. When it was finally granted, the local authority insisted that the CDA pledge its continued presence and expertise within the co-operative. The two CDA workers who performed this role at different times were both male and having a male business expert who was well-received by the local authorities, banks and other outside agencies cushioned the women from the strangeness and discomfort of liaising with such organisations alone. But the longer this assistance continued, the more dependent upon it the women became.

It also significantly reduced the scope for autonomy, complexity and variety identified in chapter three as significant to the development of feelings of personal and political efficacy amongst workers.

Apart from the male development worker, the only other male presence within the co-operative was the cutter. He was invited in from the start because the women knew that he was good, had worked with him at Hi-fashion and knew that skilled cutters were difficult to find in the area. From the outset, the founders were adamant that anybody who worked in the co-operative would become a member after a probationary period. When the male cutter refused, however, they were in no position to stick to their principles and rescind their offer of employment. Another principle from which they were also forced to deviate was that of equal wages because the cutter claimed that the flat rate of £65 (in 1983) was too low. The women agreed to pay him £120 a week.

Initially, the founders felt a tremendous sense of pride in the fact that the co-operative was run exclusively by women and watched with great satisfaction as male visitors to the co-operative immediately approached the one male face they could see, only to be re-directed towards them.

Origins - Scottish Textiles

Scottish Textiles was born out of remarkably similar circumstances to Challenge, although the decision to found

a co-operative rather than a private business was more co-incidental. The initial workforce of the co-operative was drawn from those made redundant from the Kiddiclothes factory in Kirkcaldy, Fife. Again in common with their counterparts at Challenge, the early membership of Scottish Textiles had work histories chequered with periods of employment in short-term factories attracted by regional development grants, but with no great loyalty to staying in the area. Kiddiclothes had occupied their Kirkcaldy factory for only two years and employed a workforce of two hundred and fifty.

When the closure of Kiddiclothes was announced, Alex, the head of the cutting room and Moira, the supervisor in the packing room, discussed the possibility of maintaining some level of production at the factory. Interest in the plan was shown by the factory's two main customers, but the existing plant was too large for any prospective venture and the problem of raising finance appeared daunting.

Whilst frustration with "bad management" and job insecurity also motivated the founders of Scottish Textiles, an added dimension was the handicap of age. Employment for well-trained clothing workers was also reasonably available in this area, but Alex and Moira were in their late forties and concerned that they were not an attractive proposition to prospective employers. In Alex's own words:

"I am forty eight years old. I'm just a working man, this is all I've ever done. Who is going to give me work now, at my age?"

Before the factory closed, Alex and Moira began to make enquiries about continuing some degree of production to small business agencies in Edinburgh. When these proved off-hand and non-committal, they contacted the economic development office of the local authority who agreed to conduct some enquiries. They, in turn, contacted SCDC with whom they had recently signed a consultancy agreement.

Thus Alex and Moira were introduced to SCDC, an organisation they had never heard of promoting a form of business which they had never even considered. Neither had any previous knowledge of co-operatives when SCDC made contact and their eventual registration was not inspired by any conscious decision to opt for a co-operative rather than a private firm. In effect, it was just one aspect of the package offered by SCDC. The founders claim that they were never properly briefed in the principles of co-operation or collective forms of organisation. Trade union membership was never mentioned by SCDC.

The announcement of the closure of Kiddiclothes was accepted with resignation and little resistence by the workforce. There were no proposals to occupy the factory or take any other form of collective action, although the plant was highly unionised. Unlike Challenge, the founders of Scottish Textiles had no existing experience of victory and sense of achievement on which to build and

there was no moral support forthcoming from another source (eg trade union) from the outset. The poor prospects of alternative employment was the overwhelming motivating factor for Alex and Moira.

As a consequence of the union's inactivity following the announcement of the closure and its complete lack of interest in the prospective co-operative, the founders did not develop the identification with the union which existed at the establishment of Challenge. As we shall see in chapter eight, this is not to say that Scottish Textiles were hostile to trade unions, only that they did not connect them in any way with worker co-operatives.

With the assistance of the negotiating skills of SCDC, a £12,000 loan was secured from Fife Regional Council. The two founders then began to invite selected ex-workmates from Kiddiclothes to join their team. Their criteria were very similar to those employed by Challenge, as follows:

-hard workers with proven skills
-enthusiasm for the project
-willingness to make sacrifices in terms of time and money until the business is soundly established.

Ten of the eleven original workers in the factory had previously worked at Kiddiclothes, the eleventh was a young school leaver recruited under the Youth Training Scheme (YTS). The founders were, however, adamant that if she proved herself to be "a good, hard worker", then she would be kept on after her year on the YTS was finished.

From the outset, Scottish Textiles rarely referred to themselves as a "co-operative", and it is revealing that the non-founder members often referred, non-facetiously, to the factory as "Alex's business" because he was the prime instigator and acting general manager. In contrast with Challenge, Scottish Textiles installed a management hierarchy in their new business.

SCDC's involvement with Scottish Textiles was, from the beginning, more detached than that of NRCDA's with Challenge. Whilst the Development Worker dealing with the latter was a regular visitor, his counterpart in Fife made fewer visits, either invited or speculative, to the factory. When contacted about a specific problem, he would make every effort to be of assistance, but his approach was relatively "low key".

In general, Scottish Textiles were more isolated than Challenge. Although they had some contact with another, longer-established clothing co-operative in the County from which they rented some machinery, there was no local forum for co-operatives. They didn't know of ICOM and had little contact with SCDC other than through the visits of their Development Worker. There was no contact with a supportive trade union. These factors contributed towards their relative ignorance of co-operative principles and practice and their emulation, from the start, of the hierarchical organisation of their previous workplaces tempered by the occasional meeting of an informative nature.

Origins - Home Services

The main driving force behind the establishment of Home Services was a twenty four year-old car mechanic who had always been keen "to go into business". His one previous attempt proceeded no further than an interview for a place on the local polytechnic's small business course at which he was advised that his business idea was not viable. Three years later, the same business idea had established a co-operative which employed four people.

During a period of employment as a trainer of mechanics at a workshop for the unemployed, Paul met Jim, a student there. They began to discuss the possibility of setting up their own business because job opportunities in Newcastle were so poor. Jim was previously employed by a large multinational and remained friendly with an ex-workmate made redundant at the same time who also had an allotment next to his. Tony was therefore invited to join them in their discussions which rapidly became a serious business proposal.

Between them, a variety of skills were represented, but there was none common to all three. Thus they identified a business idea which could, to some extent, draw upon them all - property maintenance. Confronted with the lack of interest shown by the small business agency they initially contacted for advice, they turned to NRCDA who "looked quite impressed" with the degree of market research they had already conducted independently. This

led to their decision to establish a co-operative rather than a conventional small firm because the agency promoting the former was "most helpful".

In contrast with the two clothing co-operatives, Home Services' members had not all worked together then shared the experience of being made redundant and decided to build a new business out of the ashes of the old. Their ages varied from early twenties to early forties, but each founder was keen to establish secure employment over which they had some degree of control.

Having identified this perceived gap in the market for the maintenance and repair of private houses, the three decided that the work was sufficient only to employ themselves and "a girl" for the office. To accommodate the anticipated inconsistent levels of demand for their work, they decided that they would, when necessary, hire casual labour without inviting any others to join the co-operative. When their Development Worker expressed his distaste for this policy, they defended it on the basis of the "unpredictability" of the market in which they would operate. It was one thing, they claimed, to have principles, but these had to be compatible with commercial survival. Although NRCDA also stressed the legal (and moral) rules governing co-operatives in terms of inheritence and dissolution, the founders still considered the co-operative to be "their" business with which they could do as they pleased:

> "If we're working on a co-operative basis, anyone else (non-founders) would get the same wages for the same work, but the decisions would be taken by us three. If there were any problems, we would have to sort them out, but the wages would be the same".

Thus their commitment to equality was based on purely financial considerations, control would remain firmly in their hands. One founder who had two sons stated that he wanted to "hand on" the business to them when they grew up, despite the fact that he knew this was contrary to the principles of co-operation. Although they were aware of traditional co-operative principles and had discussed them with their Development Worker, they believed that once the co-operative was established, it was theirs to do with as they pleased.

East End Contractors

In response to a talk given by an SCDC Development Worker in a community centre in Glasgow's east end, four young people began to consider setting up their own business. Two of them worked part-time as hirers of mobile discos and wanted to establish a record shop in the east end and the others agreed that this might be a viable business proposition. They had a prime-site property in mind when they approached SCDC, who quickly talked them out of the idea, suggesting instead that they consider a business based on "Instant Muscle". This is a national initiative which establishes groups of young people in businesses offering "odd job" services where few or no skills are required. However, in view of the extremely

low level of owner-occupation in this area of the city, it was suggested by SCDC that they should approach large, local firms in their attempts to find work.

All four were unemployed when they responded to SCDC's publicity. One twenty four year-old had been unemployed for three years; the others, aged seventeen, twenty one and nineteen for periods of six months to two years. The four had never worked together previously, but two were brother and sister and all were friends living very close to one another. None of them knew anything about co-operatives when they made their initial enquiry. Like Scottish Textiles, their registration as a co-operative was not a conscious, ideological choice, but part of SCDC's package.

Sources of funding for the co-operative included Glasgow District Council, an Inner Urban Areas grant and the Young Workers Scheme. East End contractors were conscious that funding would have been almost impossible without the assistance of SCDC's Development Worker who represented them at meetings with authorities and sought custom.

Keen to secure sub-contracting work from large firms, the Development Worker contacted British Steel, a large Glasgow builder and a national housebuilding company. In his introduction to the proposed co-operative's feasibility study, he writes:

> "This is a new business venture which resulted from a group of individuals identifying a gap

> in the market for semi-skilled civil engineering work.....A number of major companies have indicated that they would be delighted to offer the new company substantial amounts of work, subject, of course, to price and quality.
>
> This is an exciting example of individual self-help and it has proved most encouraging the way the commercial community has supported the venture".

The four young people involved could, by no stretch of the imagination, be described as "semi-skilled" in civil engineering. One had previously worked in a bed factory, one in a shop, one as a fork-lift truck driver and the other as a labourer. Far from performing "semi-skilled engineering work" the four members secured general labouring work with a national housebuilder. As described in chapter seven, this situation proved most unsatisfactory.

From the beginning, the three male members of the co-operative refused to allow the one young woman to work with them on site. She was to remain in the office, "doing the books" despite her objection to being limited in this way.

Like Scottish Textiles, the founders of East End Contractors believed that the principles of co-operation had never been properly explained to them. There was certainly no evidence of a commitment to equality of opportunity for all members within the co-operative. Again, SCDC never even mentioned the possibility of members taking out union membership.

East End Contractors stopped dropping in to SCDC's

offices because they found the atmosphere oppressive and unfriendly. Their Development Worker left and any mail arriving for them was forwarded to the home address of the brother and sister. When problems later arose over the national housebuilder's payment to the co-operative, they felt that there was nobody to whom they could turn for advice. In effect, their contact with SCDC had been terminated.

Profile of Participants

Subsequent chapters explore the impact of co-operative working upon participants, but the questionnaire also gathered important information on their backgrounds. The full questionnaire is presented in appendix B. The following facts about co-operators were gathered:

-gender
-age
-education
-previous work experience
-experience of unemployment
-family commitments

This information provides a backcloth against which the perceived personal changes can be examined. Discrepancies between individuals in the same work situation might be attributable to variations in any of the above.

Gender

One co-operative was all-male, whilst the three others were virtually single-sex, with only one participant of the opposite sex in each. Thus the two clothing co-operatives had only one man each and the property

maintenance co-operatives one woman. A total of eight men worked in the four co-operatives and all agreed to be interviewed. In contrast, six women out of a total possible number of thirty one refused to be interviewed. It would be wrong to over-state the significance and wider applicability of a small sample, but the disparity in the proportions of potential participants who agreed to be interviewed must be of some relevance as the excuses offered appeared to testify. These fell into two categories:

-too shy/nothing to say
-domestic commitments

Since I felt morally obliged not to pressurise people into agreeing to participate against their will, I did not probe too deeply or persist when people declined my request. Those who argued that they "had nothing interesting to say" appeared to be very shy and self-deprecating women. As I arranged the first interviews, I made a mental note to reapproach those same women eight months later at the time of the second interviews and, if they agreed to be interviewed, this might be construed as evidence of developing self-esteem and confidence. Unfortunately, three women left the co-operatives before that time, allegedly because they couldn't bear the stress induced by the sense of responsibility and the deteriorating atmosphere within the factories. Two women worked for Challenge and one for Scottish Textiles.

Domestic commitments was the excuse offered by the

remainder of the women who refused to be interviewed, one of whom worked for Scottish Textiles, the other for Challenge. Evenings and weekends, they argued, were fully taken up with their homes and families. Again, interestingly, these women did not continue to work for the co-operatives for very long - one gave up work altogether when she became pregnant, another two found jobs with "better wages and less hassle".

Notwithstanding those who refused to be interviewed, women still constituted a substantial majority - eighty one per cent - of all interviewees. This provided exciting potential to inquire into the paid work, domestic and social lives of women workers who, as discussed in previous chapters, have traditionally been ignored or neglected in studies of the experience of work.

Age

Age was much more evenly distributed than gender in three of the four co-operatives. The exception was East End Contractors where all participants were under the age of twenty five.

Table Five: Gender and Age of Participants

	Under 25			26-40			over 40		
	M	F	Total	M	F	Total	M	F	Total
Challenge	0	4(4)	4	1(1)	15(11)	16	0	2(1)	2
Scottish Textiles	0	1(1)	1	0	8(6)	8	1(1)	1(1)	2
East End Contractors	3(3)	1(1)	4	0	0	0	0	0	0
Home Services	1(1)	0	1	1(1)	0	1	1(1)	0	1

numbers interviewed in brackets.

It is interesting to note that nobody under the age of twenty five declined to be interviewed, yet this is the age group in which it might be expected that individuals could lack confidence in either themselves or their work experience. Perhaps it is significant, however, that none of the under twenty-fives were married or had children and did not therefore carry the same burden of domestic responsibility as other older, married workmates.

Education

As illustrated below, very few participants left school with any formal qualifications at all.

Table 6: Educational Qualifications of Participants

	Total	
	M	F
None	7	18
CSEs	0	4
Olevels	0	3
Alevels	0	0
Further Education	1	0

Everyone with a formal qualification was under the age of twenty five, and it is interesting to note that the women were proportionally better qualified than the men. Nobody was attending, or planning to attend, any classes leading to a formal qualification.

Previous Work Experience

In both English co-operatives - Challenge and Home Services - all participants had previous work experience. One person in each of the two remaining Scottish co-operatives hadn't worked before (although one had had an evening job in a shop whilst still at school) and, since the co-operative was their first real workplace, had no yardstick by which to measure and compare the experience.

Since each co-operative was either founded by a group of people who had previously worked together or been good friends, there was inevitably a great deal of common and shared experience in participants' work histories. Most of the workforce of Scottish textiles had previously worked for a babywear manufacturer until the closure of the factory, whilst many people at Challenge had been through two previous redundancies together.

Scottish Textiles employed one school leaver, with no previous work experience, on a Youth Training Scheme, although it was hoped to keep her on after the scheme ran out and this wish was, indeed, fulfilled. East End Contractors one woman employee had not previously worked

since leaving school, although she did act as volunteer, unpaid book-keeper at a local community centre.

Nobody had previously worked for a co-operative: all previous work experience had been gained in private, conventional firms. There was not a single instance of a founder-member following a family precdent in "going into business". No founder-members had self-employed relatives, but one of the later entrants to Challenge had a self-employed hairdresser daughter.

Unemployment

Of the total of thirty three people interviewed during the study, only one had not been unemployed personally or had a close relative out of work. The following table illustrates the incidence and length of unemployment **personally** experienced by participants:

Table 7: Periods of Unemployment

	M	F	Both
Less than one month	0	3	3
1-3 months	0	6	6
3-6 months	1	7	8
6-12 months	2	1	3
over a year	5	1	6
Never	0	7	7

It is interesting to note from the above figures that all males had experienced unemployment, compared to just over three quarters of the women. Male periods of unemployment were relatively long, and the majority of males had been out of work for over a year in the past

compared to only one woman. There might, of course, be various explanations for this. A few of the women interviewed admitted that they had sought work when their children were young, but didn't bother to register unemployed because they weren't desperate and had the children to look after anyway. If these four women are included in the figures for periods of unemployment lasting over a year, the picture is quite significantly altered.

Another contributing factor to the lower levels and lengths of unemployment amongst female interviewees is the peculiar state of the CMT garment industry which would appear to be at the same time crisis-ridden and buoyant. Although there is a high number of deaths in this sector, there is also a high rate of new-firm births.(Rainnie 1984) As a result, employees can find themselves redundant at quite regular intervals, yet still manage to secure work elsewhere in a relatively short space of time.

The prospect of unemployment was a major motive behind the foundation of the two property maintenance co-operatives. Instability and insecurity, meanwhile, was the major factor motivating the founders of the clothing co-operatives.

Family Commitments

Initially, ten of the participants were single and the rest married. The one single woman over twenty five was a

single parent family.

Table 8: marital status of participants

	Summer 1984		*Spring 1985		**Winter 1985/86	
	M	F	M	F	M	F
Single	4	6	4	5	3	4
Married- spouse working	2	8	2	11	2	11
Married- spouse unemployed	2	5	2	6	3	8

*different total figure from 84 caused by five new recruits in Challenge
**decline in figure caused by inability to contact two ex-members of Challenge

During the course of the fieldwork, two previously single women and one man got married. The spouse of the man and one woman were unemployed, whilst the husband of the other woman was in work. Overall, the proportion of married participants with economically dependent spouses increased slightly during the second and third interviews. This is a factor to be borne in mind as the story of concern over low wages and lack of overtime payments, particularly in the clothing factories, develops in later chapters. At the same time, however, the number of participants with economically dependent children actually decreased slightly by the time of the third interviews:

Table 9: Participants with Children

	summer 1984	spring 1985	winter 1985/86
participants with dependent children	12	12	10

Conclusion

A few concluding observations can be made about the participants in the study. The majority are female, have little or no formal qualifications and have experienced their own, or a close relative's unemployment. Most are aged between twenty six and forty and have previous work experience. The founder members of one co-operative - Challenge - have experienced a semi-successful factory occupation which acted as a major stimulus to the creation of the co-operative. Security of employment is the major motivating force behind the creation of Challenge, whilst the experience or threat of unemployment is the most significant stimulus to the establishment of the other three.

Chapter Seven

Job Creation Co-operatives as Agents of Social Change - the Research Evidence

Introduction

The literature debating the potential of worker co-operatives as vehicles for social change was presented in chapter two, and the issue of control emerged as a significant factor. Chapter five focussed upon that scope for control in relation to job creation co-operatives. In this chapter, the evidence on this subject in relation to the four co-operatives studied is presented.

We begin by assessing the degree of economic control experienced, based upon the factors identified in chapter five. This influences the degree of organisational control exercised, thereby defining the parameters within which the practical expression of co-operative consciousness can occur. Later in this chapter, the component parts of co-operative consciousness are identified more fully and presented in a figure of co-operative consciousness.

As argued earlier, it is often precisely the lack of demand for one's skill which prompts the decision to create one's own employment. If the employment then created is based upon those same skills, it is likely that the market position of the business will be difficult from the outset. Such a scenario confronted all four co-operatives studied, which were plagued with problems arising out of their vulnerability on a number of fronts.

Survival quickly became the all-consuming objective: attempts to adhere to co-operative principles and implement democratic structures and working practices became sacrificed on the altar of survival. Their experiences are discussed below under the headings which we identified in chapter five:

-control of finance
-control of the market
-control of the labour process

Control of Finance

None of the co-operatives could have begun trading without the financial support of Industrial Common Ownership Finance (ICOF) and/or local authority grants. These might be described as sympathetic or relatively benign sources of finance in the sense that they are often allocated because the lender supports the social objectives of co-operation as well as its job creating potential. All four secured finance from Labour-controlled local authorities, two of which had special revolving loan funds for co-operatives.

Persuading the banks that the co-operatives were a sound financial proposition proved more difficult. Lack of familiarity with a co-operative's unconventional system of ownership and control proved problematic for the banks which demanded continuity of the personnel with whom they communicated. This immediately had implications for job rotation and sharing responsibility for this extremely important function within the co-operative.

Challenge's initial application for local authority finance was refused twice, but the third attempt was successful. In the words of one founder-member:

> "Our application for a loan was
> thrown out twice and we were really
> upset because we missed the machinery.
> But when you think it was 9,000 -
> if I was going to give 9,000 to somebody
> I'd want to be sure of where it was going".

For working class women unfamiliar with dealing with large sums of money, 9,000 was considered a significant amount and its receipt from public funds bestowed upon them great responsibility for its prudent expenditure.

In addition to the initial start-up finance forwarded by the local authorities, both clothing co-operatives found it necessary to apply for further capital to finance new machinery (Scottish Textiles) and tide over a cash flow crisis (Challenge). Recognition of the future possibility of this action had always been present in both co-operatives and, as a result, both were very conscious of the image they presented to the relevant local authorities. They were keen to prove that they were being "responsible" with taxpayers' money, even if this necessitated their own self-denial through low wages or poor working conditions.

It was considered important to demonstrate frugality if their bid was to be successful. Despite the fact that the authorities were Labour-controlled with a strong trade union influence, it did not occur to them that their poor wages and working conditions might prove counter-

productive in their efforts to secure further finance. It is interesting to note, however, that the local authorities showed little concern for the wages and conditions which the co-operatives offered. Instead, attention was focussed upon their future profitability and the local authorities were keen that the local CDA continue to offer professional support and advice to the co-operatives and offer regular reports on their behalf to officers and councillors. The latter, in common with the banks, proved keen to liase with other "professionals" rather than the co-operative members themselves. This inability to assume direct responsibility for communications with key bodies is significant because it diminishes the scope for internal control and therefore merits more detailed discussion later.

To summarise, problems with raising start-up and development finance emanated from a number of sources. Although this is often quoted as a major problem, constraints on equity shareholding was not considered an issue because all four businesses were so small. More significant was the suspicion and distrust of the banks and, to a lesser extent, local authorities.

Attitudes towards borrowing also proved problematic: the fear of debt clouded members' ambitions. In the words of one member of Tidy Properties:

> "I don't believe in credit. Sam has been opening accounts everywhere and it is a terrible worry if you can't pay your bills".

Continuous financial crises plagued all four co-operatives and left them unable or unwilling to consider expansion or diversification.

Control of the Market

Entry into capital-intensive, high technology markets would appear to remain beyond the reach of most worker co-operatives. Whilst there might not be much evidence of enthusiasm amongst potential co-operators for such ventures, it is certainly true that quite tremendous financial hurdles would need to be jumped. It might reasonably be expected that few financial institutions would be prepared to lend capital on the basis of a fixed return with no voting rights and it would be difficult to attract a workforce of sufficient personal wealth to satisfy investment requirements. It therefore comes as no surprise to note that there are few co-operatives in sectors such as chemicals and instrument engineering. (see table 3) All four co-operatives in this study operated under conditions of significant dependency upon one or a few large customers and this had a considerable impact upon their behaviour in organisational terms.

Customer Dependency and the Clothing Co-operatives

It might have been anticipated that a significant degree of dependency on a single or few customers would develop - such is the general nature of this market sector. Another significant form of dependency did however, also emerge - dependency upon the officers of the

CDA, fuelled by the lack of internal and external confidence caused by their precarious market position. An examination of the consequences of customer dependency illustrates how this encourages the perpetuation of the other type of dependency.

Both clothing co-operatives were established by people made redundant from a previous workplace and, in the early days, largely staffed by previous workmates. Neither co-operative was established rapidly enough to acquire the machinery of their previous employer which found a ready market amongst other new or expanding CMT firms.

Challenge did, however, inherit the same customers. Two well-known London fashion houses pledged their continued custom to the embryonic co-operative, although both had also used homeworkers quite extensively.

Scottish Textiles secured orders for kilts, although their previous workplace had produced babyclothes and the founder-members had no experience of kilt manufacture. The latter requires specialist knowledge in cutting and pleating and Scottish Textiles was plagued with problems arising from this. In its favour, kilt manufacture did allow for reasonably long runs with very infrequent style changes. Scottish Textiles produced for two well-known retail outlets for eighteen months before one cancelled its order. They continued for a while with the other and a new order for straightforward A-line skirts. The latter only lasted several months and was replaced in turn with

an order for kilts for an Irish airport. Their diversification into two different products was therefore short-lived and, although they were still producing for two customers, they were again particularly reliant on the scarce skill of kilt cutting and pleating. This was to have significant consequences for the future performance of the co-operative (see wages and conditions below).

Within a few months of trading, Challenge was beginning to see through the early supportive rhetoric of the two London fashion houses. Both produced high-quality garments which required specialist machining skills and this was the reason why both companies were so keen to support the continued availability of those skills through the new co-operative. Given the highly exclusive nature of the product, runs were invariably short and required a great deal of attention to detail. This, allied with unreasonable delivery deadlines and the fact that the orders were under-priced caused enormous problems for Challenge. In the words of one member:

> "SL is giving us all of her most difficult styles and it takes us ages to get them to work. By the time we're getting the hang of it, the run is finished and we are struggling again with something else".

The women had no experience of marketing and had neither the time nor motivation to go seeking new contracts. Similarly, they (and their CDA workers) had no experience of pricing orders and even sought guidance from the local branch of the National Union of Tailor and

Garment Workers (NUTGW).

After a series of crises in which representatives from the London companies attended meetings at the factory, one and then the other order was lost. It is interesting to note that one company informed the women that the work previously done by them would now go to homeworkers. These developments occured within eighteen months of the company's existence and from this point until its eventual collapse, Challenge existed precariously on a series of short-term contracts. Sympathetic staff from a local polytechnic fashion school tried to help by publicising the firm through its network of contacts in the fashion business. No satisfactory orders were found, although the co-operative came close to winning a tender for priest's gowns.

Both co-operatives experienced the highly volatile nature of the CMT market and its levels of dependency. From the outset, these factors considerably constrained their potential development as self-managed enterprises capable of offering a degree of autonomy, complexity and variety to the worker-members. Their customers determined the nature of the product, how it was produced and how quickly. This severely constrained their ability to control the method and pace of production within the factories.

A vicious circle of stress and uncertainty developed where crisis management was the norm and there was no time, money or expertise available for forward planning to

secure better-priced orders with long runs. Whilst both often dreamt of one day launching their own-label products, they were acutely aware of the reality of their position. As we shall see in the following chapter, many felt even more alienated from their product than in previous workplaces. Previously, at least, they didn't have the awesome responsibility of paying the bills and balancing the books.

Customer Dependency and the Property Maintenance Co-operatives

Although most of the available work in this sector is centred on domestic households, many firms try to secure relatively continuous contracts with large firms or act as sub-contractors to other firms in the same market. Home Services sought and secured a contract with an Estate Agent, but this work was sporadic and constituted only ten per cent of the co-operative's work in the first six months. After this, the work became even less regular. Home Services continued with a variety of short commercial and domestic contracts before diversifying into leaflet production and distribution and thus avoided becoming dependent on one or a few customers.

In contrast, East End Contractors became totally dependent upon a major national housebuilder after its several initial domestic contracts expired. The company determined the wages, hours and conditions under which they worked performing unskilled, routine labouring tasks with no opportunities to learn new skills. Thus there was

no scope for autonomy either as a nominally independent business or in terms of the individual members work experience. Similarly, the opportunities for complexity and variety in the work were severely constrained because of the rigid nature of the jobs they were allocated and the lack of opportunity to work with other skilled people with whom they could train.

Customer dependency severely minimised the degree of genuine autonomy of the co-operatives as both businesses and democracies of producers. Their unwillingness or inability to shake free of the added security and legitimacy derived from the close involvement of the CDA also served to undermine their autonomy.

Dependency upon the CDA

As discussed in chapter five, there is debate about the appropriate levels of direct support which CDAs ought to give co-operatives. Cornforth (1984) found that some CDAs seconded workers to new or existing co-operatives for a while to pass on skills. He concluded, however, that it was more common for workers not to base themselves on the premises, but make regular visits. In theory, it seems appropriate that CDA workers should withdraw their services gradually, passing on their knowledge to the increasingly confident workforce. In practice, however, several factors can make this difficult. Pressure on time in co-operatives can be acute and investment in training might seem indulgent. The presence of a "professional"

can be reassuring, particularly in job creation co-operatives and the co-operators may be reluctant to assume responsibility for the tasks performed by the CDA worker. Perhaps correctly, they might believe that their credibility with customers, banks and local authorities is enhanced by being supported or represented by someone to whom "officialdom" can relate. This can create a condition of dependency where the co-operative finds it difficult to cut the link and become an independent, autonomous business.

All four co-operatives in this study were small and labour-intensive, but displayed varying degrees of CDA dependency. As might be expected, this was highest in the very early stages and during crises. It was the frequency and duration of the latter which prompted dependency.

The property maintenance co-operatives had less contact with the CDAs and displayed less dependency on them. From the outset, they were more self-sufficient in securing orders, dealing with their finances and generally running the co-operative. As we saw in chapter six, East End Contractors did not necessarily choose to be so self-sufficient, but felt that they had no alternative. Scottish Textiles had a closer relationship with their CDA worker who made regular visits, but did not spend significant amounts of time there. Although Scottish Textiles did not therefore develop a relationship of direct dependency with the CDA, the latter's insistence upon the appointment of a professional manager in response

to a severe financial crisis within the co-operative effectively had the same impact. As we shall see in the following chapter, this further reduced the opportunities for genuine self-determination within Scottish Textiles. At least in Challenge, there was some hope that the CDA worker would pass on the skills and then hand over to the co-operators themselves.

When Challenge's initial loan from the Borough was finally approved, a condition was attached which was to have fundamental implications for the co-operative's future development:

> "The Borough said that we didn't have enough management expertise, so John from NRCDA agreed to come in twice a week and sort of advise us".

A commitment to visit only a few times a week soon came close to being a full-time job. The commercial vulnerability of the co-operative ensured that it suffered regular financial crises, generally accompanied by a crisis of morale. In such circumstances, the presence of the CDA worker reassured the workforce that they had "expert" help in overcoming problems which they had never been trained to confront.

Dependency upon the expertise and status of the development worker therefore became a major obstacle to Challenge's administrative self-sufficiency. Allied with its dependency upon only two customers, Challenge was in a poor position to develop any genuine degree of commercial

or administrative autonomy. Although none of the other three co-operatives experienced such a critical degree of dependency in both respects, it remained a constant barrier to commercial viability and organisational self-sufficiency throughout. It would appear, however, that customer dependency is endemic to the cut-make and-trim market sector, whilst appearing as quite an attractive proposition to firms operating in property maintenance. The essential paradox is the small firm's desire for continuity of work which presents itself through large and long-term contracts, but the security thus gained places the co-operative (or small firm) in a vulnerable position should the large customer withdraw.

In chapter five, we distinguished four essential elements of the labour process - tools of production, the work environment, output and administration and decision-making. The latter category is incorporated into the later discussion of co-operative consciousness, the other three are considered below.

Control of the Labour Process

In the clothing co-operatives, there was very little evidence of the ability to exercise a degree of genuine control over the labour process. The experience of the property maintenance co-operatives was slightly more promising.

1. Tools of Production

Both clothing co-operatives appeared to have no option

but to use the machinery found in conventional clothing firms and, as discussed in chapter five, such machinery is specifically designed for the capitalist labour process and the exploitation of labour is inherent in its design.

Property maintenance still relies more on direct human contact than machinery. Plumbing or rewiring, for example, requires the minimum of input by machines: hand tools are under the complete control of the person working them. This does not give property maintenance workers any significant degree of genuine **choice** over the tools they employ, rather it suggests that they are much more directly in control of the tools which they do use in comparison with a machinist in a clothing factory.

2. The Work Environment

The property maintenance co-operatives had no fixed workplace. Instead, they worked on a variety of sites for varying lengths of time. It could be argued that they had no control over the work environment because they were always temporary visitors on somebody else's property. Although they could refuse to undertake contracts, the **conditions** under which they worked were ultimately controlled by others. East End Contractors' experience with a national housebuilder is an example of this.

East End contractors were sub-contracted to do labouring work for a basic wage of 40 a week (in 1984). On arrival on site, the co-operators discovered that they were replacing four men sacked the previous week who had

been earning 120 a week basic. The building site was unionised and the other workers refused to co-operate with the sub-contracted labour. East End Contractors approached the shop steward as soon as they sensed the hostility and offered to leave the site when they discovered the truth. Despite this offer, the shop steward and other workers maintained a hostile attitude, ignored their offer to leave the site and made no attempt to recruit them into the union.

Despite having no control over the type of machinery used, both clothing co-operatives did try to "humanise" their surroundings in small, but nevertheless significant ways. In the first few months at Challenge, the machines were situated so that the women faced each other in pairs, rather than sit with their backs to one another. As one woman explained:

> "It wouldn't have been allowed anywhere else I've worked. The boss would have seen it as time-wasting because we talk to one another. We do talk a lot, but it stops us getting bored".

After several months, however, the machines were repositioned in their original format in an attempt to increase productivity. The harsh reality of the market undermined their ability to sustain this experiment.

Again in the early days of Challenge, workers used their own discretion to take unscheduled breaks for cigarettes or a cup of tea. Again, however, this practice ceased when recurring productivity crises increased the

need for both greater effort from the workforce and the accompanying guilt and hostility which confronted workers seen to be "not pulling their weight".

3. Output

Production targets determined by the need to remain competitive with other conventional CMT firms dictated the pace of work. The only flexibility lay in the co-operators ability to switch between tasks and enjoy some variety in their work. However, even this was determined more by the need to meet production targets than enhance the quality of working life.

The property maintenance co-operatives did have some opportunity to determine their own pace of work, with the exception of East End Contractors experience on the building site. When working independently, they had some degree of control over the pace of work. Although they had an estimated cost to work to and some time limit requested by the customer, they had some scope for determining how quickly and which hours they worked. In this respect, the fact that they were co-operatives is significant. Had they been employed by a conventional firm, they would have been under pressure to finish the job as quickly as possible and would have been supervised to this end. Instead, they could work at their own pace making their own decisions according to, for example, whether another job was waiting to be done.

Summary of the Economic Constraints

Under-capitalisation was a major obstacle for the clothing co-operatives from the outset, fostering dependency upon a single or few customers. Although less pronounced and for different reasons, one of the property maintenance co-operatives also developed a dependency relationship. In its case, securing major contracts with a single customer provided a more continuous source of income than reliance on a multitude of small, one-off jobs.

Allied with dependency relationships with the CDAs, customer dependency seriously undermined the scope for control which the co-operatives could exercise over their organisational development. Not surprisingly, this in turn retarded the extent to which the co-operatives and their participants exhibited high levels of co-operative consciousness which was defined earlier as:

> "the degree of commitment to the principles and practice of co-operative working and identification with a wider movement".

The indicators of co-operative consciousness are identified in the following figure. Features such as ratio of members to non-members and the degree of democratic decision-making are central points of the degeneration thesis. It is therefore interesting to see how these develop over time.

Figure 4 - Co-operative Consciousness

	Internal	External
Collective	1. ratio of members to non-members	1. "socially conscious" product and/or/buying/ selling policy
	2. degree of democratic decision-making	2. support for, and identification with wider co-co-operative movement
	3. commitment to policies of equality	
Individual	1. co-operative/ conventional distinction and preference	1. identification with wider co-operative movement
	2. degree of ident-ification with the co-operative	
	3. participation in decision-making	

In the following discussion of the research evidence, it emerges that co-operative consciousness as manifested both at the level of the individual and the organisation is not static, but varies quite significantly over time. First, the internal manifestations at both the collective and individual levels are examined, then the external.

1. Collective Co-operative Consciousness - internal

It is important to begin by examining the evidence of collective co-operative consciousness as revealed in the democratic structures of the co-operative. Without at least the possibility of participating in its decision-

making and control, it is futile to examine the degree of actual individual involvement. Thus we begin by examining the policy-making structures and their operation in practice.

In accordance with the traditional principles of co-operation, policy-making in all four was the responsibility of the members meeting. At least, this was the theory against which, as illustrated below, practice fell far short in three of the four for a number of reasons which can be summarised as follows:

-growing ratio of non-members to members
-infrequency of meetings
-domination of meetings by certain members/ CDA workers
-lack of taining/experience in efficient conduct of meetings

1.1 Ratio of Members to Non-Members

Implicit within the definition of co-operatives as "businesses owned and controlled by those working within them" is the assumption that the employer/employee distinction will be largely extinct. If co-operatives were to become hirers of labour on a significant scale the power relations within them would become dangerously similar to those of a conventional business. For a number of reasons, job creation co-operatives would appear vulnerable to the development of a two-tier workforce of members and non-members.

When first established, all four co-operatives were comprised of members or probationary members with the

exception of the cutter at Challenge. As time progressed, however, membership became increasingly optional both for new recruits and existing members. The latter resigned their membership in times of disagreement or crisis, opting to remain an "employee", whilst new recruits were either not encouraged to join or themselves chose "employee" status.

From the outset, both property maintenance co-operatives were reluctant to adopt the principle that future recruits should automatically become probationary members. Their main anticipated criterion in recruitment would be securing "a good worker", but it did not necessarily follow that this person would be willing and able to adopt the responsibilities of membership. In the words of one male member:

> "To get the work done, we need people who have the right skills and attitude - somebody who is prepared to pull their weight and not looking at the clock all the time. But it would take a special sort of person to become a member - they would need to take the same responsibility as we do and a lot of people just want an easy life, don't they?"

Their attitude towards future recruitment was dominated by a perceived need for workers who would produce the quantity and quality of work they expected, but not necessarily share control of the business. When reminded that the adoption of probationary membership for new recruits is implicit within their constitution as a co-operative, it was stated that they were aware of this, but pragmatism should have priority:

"It's all very well saying everybody should be a full member with equal rights, but at the end of the day some people are more prepared to take responsibility than others. Why should those who don't still have the same say as those who do?"

One man hoped to "pass the co-operative on" to his children although he was aware that such practice would be against co-operative principles. This, in itself, indicated the paramount importance of the creation of job opportunities at the expense, if necessary, of co-operative philosophy.

Challenge was initially most keen to embrace the principle of open membersihp and made a point of explaining the distinguishing features of a co-operative to everyone they interviewed for a job. In contrast, Scottish Textiles' membership remained restricted to those who comprised its initial workforce. Later recruits were aware of the fact that the business was registered as a co-operative, but could not identify any distinguishing features between this and a conventional firm. They were never invited to join or attend members meetings. Members and non-members alike referred more frequently to "Alex's factory" than "the co-operative".

From the outset, therefore, three of the four lacked any firm commitment to the expansion of the membership (as distinct from the workforce). The subsequent history of the exception - Challenge - raises some timely and significant issues relating to the training and support of

job creation co-operatives.

As the commercial and organisational problems facing Challenge became increasingly daunting, individuals began to question the wisdom of becoming or remaining a member. At the outset, Challenge had never considered the introduction of a "membership option", but as turnover increased and the difficulty in recruiting skilled machinists grew, it became necessary.

Why choose to take responsibility when it was optional? This became the considered opinion of an increasing proportion of existing and new workers as time progressed. Gradually, this attitude became more pervasive fuelling the development of a vicious circle of resentment. The members became increasingly identified as "bosses" because of their membership status and role in "informing" the workers of their decisions.

Membership also required attendance at meetings. The growing domination of meetings by a few individuals and, occasionally, a CDA worker, became a disincentive to their attendance. Furthermore, the time of meetings was changed after several months so that they were no longer held during working hours. This was an effort to improve productivity after a few members pointed out the apparent folly of holding a meeting to discuss a productivity crisis when they should in fact be at their machines doing something about it.

Attendance therefore required a commitment to staying behind after work, unpaid, to consider the issues - mainly

problems - facing the business. Its geographical location in a neighbourhood with a bad reputation for crime was a further disincentive to the women who were wary of walking outside in the dark. Perhaps some of these obstacles would have been overcome by the women involved if the meetings themselves had proved more rewarding and less stressful to attend.

1.2 Degree of democratic decision-making

The central forum of democratic decision making within a co-operative is the members' meeting. East End Contractors held weekly meetings in the offices of their CDA with a worker in attendance. Having indicated their dissatisfaction with the allegedly "hostile" atmosphere of the office, it is hardly surprising that they then found the meetings uncomfortable. They generally raced through the business with a great deal of direction from the officer. In general, however, the meetings were uncomfortable rather than stressful.

High levels of stress were similarly absent from the meetings of the other Scottish co-operative, Scottish Textiles. Meetings were irregular and infrequent, called only when Alex had "something to tell" the members. They were designed to pass on information rather than provide a platform for genuine decision-making. Perhaps not surprisingly, few members spoke at these meetings and they tended to be quite short, held during lunch or tea breaks. This situation did not alter in either throughout the

research.

In contrast, meetings in both English co-operatives altered quite significantly in their frequency, timing and conduct. Initially, Home Services met weekly in one another's homes and their deliberations often lasted several hours. Gradually, as the volume of work increased, they agreed to hold meetings "as and when required", but no longer on a regular basis. One member strongly disagreed with this policy on the basis that they needed to plan ahead, not simply react to existing situations. He was, however, outvoted.

Initially, Challenge were strongly committed to democratic control through regular meetings where all members could debate and determine policy. As mentioned above, a combination of high levels of stress and the drive to meet production targets signficantly altered both the timing of, and attendance at, meetings.

Unfamiliarity with the organisation of meetings and speaking in a relatively large group made their attendance a daunting prospect for many participants. In the words of one respondent:

> "At first it was hell. We hadn't had meetings anywhere else and didn't know what to do".

The regular presence of a CDA officer at Challenge's meetings provided a ready source of reference on their etiquette and conduct. They were, however, always chaired by the same, elected, co-operative member. Because of the

officer's close involvement and familiarity with current issues which were raised at the meetings, he inevitably played quite a prominent role both in terms of leading the discussion and influencing the outcome. Meetings were not always straightforward when he was present, but his absence often heralded quite spectacular rows and traumatic scenes.

Participants in those meetings have themselves identified their own inability to give and take criticism as a major problem:

> "The most difficult problem which people are having to face is giving and taking criticism. You have to be able to back down if you think it is for the good of the company to do so. But some people's pride won't let them do that".

The life experience of many had effectively led them to believe that "constructive criticism" is a contradiction in terms. Overcoming a lifetime of social conditioning can be a painful and lengthy process.

Learning to distinguish between personal criticism and genuine attempts to offer ideas and advice proved difficult, but some progress would appear to have been made in the eight months between the first and second interviews:

> "At the beginning there were some things which I felt I just couldn't say at meetings because I didn't know how people would take it. Now there are many of those things I will say. But if I think I am going to hurt someone's feelings I still don't say it".

The sentiments expressed in the above quote were symptomatic of a general trend towards the expression of criticism being limited to those who "knew how to take it". Those who reacted with strong emotion or anger therefore became largely exempt from criticism by their colleagues. This, in turn, created tensions and accusations of victimisation from, ironically, those individuals who were best equipped to cope. Several resigned from positions of responsibility such as quality control and making up the wages because they could no longer accept being singled out for criticism. This, in turn, had implications for job rotation as people refused to take on certain jobs and those saddled with the responsibility resented it:

> "I really don't know if I can take much more of it - the atmosphere is horrible and our best machinists are leaving. Two weeks ago, I said I didn't want to be line co-ordinator any more - I was fed up having to solve everyone's problems, but I'm still doing it.....
>
> I find myself trying to jolly everyone along, always smiling when underneath I'm ready to burst".

Thus participants' inability to give and take criticism without malice or over-sensitivity began to have repercussions outside the meetings themselves, spilling out onto the factory floor and affecting general performance and morale.

The experience led some participants to conclude that future recruitment policy should discriminate in favour of

individuals not already known to the workforce:

> "Really, we shouldn't bring in any more people we know. It's better to come in to work with people you don't know rather than people you know well - I think that causes problems because it makes people take criticism more personally".

This argument was also expressed by members of East End Contractors who reported that social gatherings frequently degenerated into rows about the business.

One woman left Challenge after the first two months because she couldn't take any more of the meetings. She was one of the women who refused to be interviewed for this study and she was clearly very shy. In the words of a fellow worker:

> "She's leaving because she hates the meetings. She's so shy, she won't say anything and she goes all red if you ask her anything. She can't stand the shouting at meetings. Because she can't speak up about what is bothering her, she can't stand working in the co-operative".

Although this woman was indeed extraordinarily shy, her case nevertheless raises important issues. Some people may never be able to develop the social skills necessary for effective participation in decision-making, but it is nevertheless a skill which can be taught and acquired with practice. It is one thing for "professionals" with the experience of higher education and their everyday work situations conducive to the advancement of those skills arguing in favour of their extension to other situations. It is quite another to produce effective training and

support to nurture the process and ensure that it is not counter-productive.

As the ratio of non-members to members continued to grow within Challenge, a parallel development was the extension of differential wage rates in conflict with their original insistence that all workers, with the exception of the cutter, should be paid the same.

1.3 Commitment to Policies of Equality

As discussed earlier, the degeneration thesis alleges that co-operatives are unlikely to sustain democratic structures and maintain commercial viability. Revolutionary socialists believe that competition within capitalism will force the co-operative to conform with the work practices and organisation of conventional firms, whilst the Webbs believed that democratic structures were inherently unsustainable. Most importantly, they alleged that membership would become selective and a "tyranny of small masters" evolve. As discussed above, full or probationary membership cannot be taken for granted within the job creation co-operatives. This departure from a traditional, fundamental principle of co-operation has important implications both for the integrity of the movement in general and the application of its philosophy within individual co-operatives.

If a co-operative develops a two-tier structure of members and employees where the latter are either not invited or not interested in full membership, then it

retains the fundamental distinction between hirers of labour and labour hired. A barrier to the adoption and implementation of genuine equality amongst participants is therefore erected.

Bearing this important, indeed crucial, consideration in mind, we go on to examine the evidence of commitment to policies of equality revealed by the study. If we take as our definition of equality a very basic one of "equal treatment and opportunities for all participants", this can be broken down into the following areas:

1. pay and conditions
2. incentive schemes
3. hours of work and overtime
4. job rotation/access to high status tasks

Of interest in the examination of each is the extent to which traditional gender stereotypes are recognised and challenged.

1.3.1 Pay and conditions

Both property maintenance co-operatives agreed from the beginning to introduce a common wage rate without bonus or overtime payments. Consensus would appear to have been relatively easy to secure and maintain over time and one explanation for this might have been the similar levels of skill and relevant experience which founders brought to the co-operative. Because of their small number, they tended to work together on contracts as a team - no individual emerged with skills in greater demand than the others.

In contrast, the initial workforce of both clothing co-

operatives brought a variety of skills and experience acquired in an industry characterised by a hierarchy of skills and status with wage rates determined accordingly. Nevertheless, both decided fromn the outset to introduce one standard wage for all employees irrespective of the skills they had or the job they did. There was, however, a noteable exception in both factories - the only male participant in each who was also the cutter.

Alex, the cutter in Scottish Textiles, was also recognised and referrred to as "the manager", although the women did not exhibit much confidence in his managerial ability. His appointment as manager was the product of several factors. The decision to pursue the possibility of establishing the co-operative was originally his, he took the initiative and remained the central figure throughout the gestation period. Of equal significance, however, would appear to be the status he carried as cutter allied with the recognition that this is a scarce skill essential to the establishment of the business. The business contacts he had acquired through his position in his previous employment were considered invaluable both by his fellow workers and the local CDA.

In recognition of his responsibilities as manager, Alex was paid more than the others, but some of those responsibilities were in fact being shouldered by one of the women and they all displayed little confidence in his managerial abilities. They were not prepared, however, to

challenge his position because they couldn't face the upset it would cause and they also believed that he commanded the support of the CDA.

Whilst Scottish Textiles sole male participant was the manager, his counterpart in Challenge refused to even join the co-operative because he didn't want the responsibility. He did, nevertheless, demand a wage twice that of the women in recognition of his specialist skills. This was accepted and their justification reflects an adherence to traditional notions of the "family wage":

> "Everyone knows why Jack must earn more than we do. He is married and has a young baby to keep".

Yet everyone knew that his wife worked part-time and there were several women within Challenge who were the sole income-earners in their household. Thus the rationale behind their acceptance of his demand ran contrary to their own experience as workers and breadwinners. A lifetime of social conditioning triumphed over practical experience.

Challenge continued to operate its uniform wage policy until it hit a major productivity and cash flow crisis. At this point, it came under pressure from the bank and the CDA to introduce radical new measures to tackle these problems. Consequently, they agreed to advertise outside the co-operative for a production supervisor at higher wage rates. At the same time, it was decided to introduce a "twilight shift" to attract skilled machinists whose domestic responsibilities precluded daytime employment.

An additional commercial advantage was the more productive use of existing equipment.

Although these decisions were made with the consent of those women who were full time members, their support was based more on resigned acceptance of their commercial position than genuine enthusiasm. Originally, the founders were adamant that there would be no part-time workers because this created divisions amongst the workforce. Unfortunately, the reality of the local labour market for machinists allied with their own commercial crisis necessitated the revision of this policy.

By this time, it was not taken for granted that those appointed would assume probationary membership and, in this respect, the machinists would be in a similar position to the existing "employees" within the factory. More controversial, however, was the potential status of the Production Supervisor. Whilst this person would not be discouraged from membership, it was argued that their detachment could be beneficial in establishing and maintaining their credibility and authority. Challenge's salvation, it was believed, would be enhanced by the perceived "neutrality" of the Production Supervisor in the developing rift between members and non-members.

Whilst the main motivation behind the appointment of this specialist was the desire for their technical skill, the "crisis of legitimacy" of existing "management", i.e. the ever-decreasing membership, was an important secondary

consideration. The appointment would not, however, solve the latter problem. Members recognised the iniquity of hiring a "specialist" at a higher rate whilst they continued to shoulder the real burden of resposibility for the co-operative's future. It was therefore agreed, again in breach of their original pledges, that members should be paid higher wages than non-members. This, in turn, might encourage more employees to join.

Unfortunately, this move was not successful in achieving the latter objective. Instead, line workers began to argue in favour of productivity-based schemes, a suggestion which, in the circumstances, proved appealing to the CDA as a possible solution to recurrent productivity crises.

1.3.2 Incentive Schemes

In considering both clothing co-operatives' response to productivity problems, it is important to bear two essential factors in mind. First, they were CMT firms operating in an unstable market: runs were frequently short and supplies unreliable. Second, both experienced difficulty in recruiting (and in Challenge's case, maintaining) skilled labour.

Both, however, reported that, in general, productivity rates tended to reflect the current state of morale within the factory. When the atmosphere was relatively calm and friendly, output was relatively high, and vice versa. In these circumstances, it is not surprising that a vicious

circle of low morale and productivity crises became a frequent feature: one continuously fuelled the other.

Support for the introduction of productivity bonus schemes became quite strong in both factories amonst non-Founder members (Scottish Textiles) and newer recruits (Challenge). They argued that it would provide a "bit incentive", suggesting a lower degree of motivation and identification with co-operative work practices than that displayed by Founder-members. The latter generally agreed with the sympathies expressed by the following participant:

> "in a co-operative, there should be no need for a bonus scheme. At the end of the day, any extra will be divided out amongst the workers and that should be enough incentive to work hard to get the stuff out".

Although this woman was rejecting a bonus scheme, she was nevertheless adopting an instrumental stance in her reference to the dividend. In effect, she was pointing out that the latter is effectively an accumulated bonus, albeit collective rather than individual.

Another, non-founder, member of Challenge expressed a less instrumental reason for rejecting the proposal:

> "in any factory there will be lasses who are faster and some who are slower. That's not to say that the faster ones are trying a lot harder - they're just natural. So it's not really fair that they should be paid more when people are putting more or less the same amount of effort into it".

According to one (member) machinist in Challenge, the

issue should not be addressed as one of principle, but of practicality. She argued that the method of training in the industry developed a reliance on bonus schemes:

> "Having no bonus scheme in this industry is like running a greyhound race without the hare to chase. You're taught to work against the clock. You know that the more you turn out, the more you earn. We've no bonus here so there isn't the same incentive to churn the work out so fast. You take your time about it".

Pressure for the introduction of an incentive scheme continued to grow in Challenge until the founders finally relented. They remained adamant that it would prove divisive and was contrary to the spirit of co-operation. Furthermore, there was no guarantee that it would achieve the required objective and could prove a costly exercise.

A collective bonus scheme was introduced with mixed results. Initially, it did raise output, but its introduction coincided with a period of relative harmony. Over time, it proved incapable of solving the more fundamental problems of inadequate training, interrupted supplies and short runs which needed to be tackled. The latter exacerbated the problems of low morale also fuelled by internal organisational problems and personal animosities.

Scottish Textiles never did introduce a bonus scheme - Alex and the CDA argued that they couldn't afford it and this was accepted by its advocates as a satisfactory reason. Nevertheless, they continued to support its introduction as a legitimate aspiration and not

irreconcilable with the spirit of co-operation. As illustrated repeatedly, however, Scottish Textiles exhibited little understanding of the latter. In contrast, the Founders of Challenge were conversant with these principles, but found their implementation increasingly impractical. New recruits' expectations of the co-operative work environment proved practically indistinguishable from the reality of their previous, conventional workplaces.

In summary, those who did support the creation and maintenance of a truly co-operative work environment were faced with mounting obstacles to its achievement. One significant obstacle was their inability to "pass on" their knowledge and commitment to newer recruits, either because they lacked the skills or their audience was deliberately non-receptive. The latter situation became particularly pronounced as the commercial situation of the company deteriorated and membership came to represent continuous worry and stress.

It is interesting to note that incentive schemes were not rejected as "un-cooperative" by the respective CDAs serving the two firms. Challenge were presented with a new CDA worker about ten months after they started trading. He did, in fact, have philosophical objections to the incentive scheme, but believed that it was now essential to the firm's survival. His Scottish counterpart focussed attention purely on the financial

costs and benefits of its introduction, the perceived "morality" of the measure was not an issue.

Within a year, therefore, Challenge found itself compelled to renege on three original principles:

-that all workers should become members
-there should be no part-time workers
-everyone (with the exception of the cutter) should earn the same wage and no bonus scheme should operate.

Even with the benefit of hindsight, it would appear that Challenge had no alternative but to accept the reality of their commercial position and its incompatibility with these initial pledges.

1.3.3 Hours of Work and Overtime

Compulsory overtime and its compensation raises interesting dilemmas for supporters and observers of co-operatives. It is implicit within the spirit of co-operation that both effort and reward should be equally shared, but the spectre of self-exploitation must remain an issue of great concern. In particular, trade unions would be justifiably suspicious of increased workloads which received no compensation.

It is, however, conventionally assumed that partners in a business will work as many hours as necessary to ensure its success. In the eearly days of the business being built up, the demands on time might prove quite substantial. This, at least, was the position adopted by the founder-members of all four co-operatives. In common with other important issues like recruitment and

discipline, none of the co-operatives had reached a coherent policy on the issue of overtime when they started trading. Instead, it was assumed that everyone would "muck in together" as necessary.

Neither property maintenance co-operative attached a great deal of significance to the issue of hours of work and overtime. Instead, there was an attitude that, since work was often irregular, it just had to be done whenever it presented itself. This was considered inherent in the nature of the business: it was not a nine-to-five job. In contrast, clothing factories tend to be run on strict criteria distinguishing standard from overtime hours. Like basic wage rates, this is determined by the appropriate Wages Council which also stipulates working hours and overtime premiums. Technically, therefore, Challenge were breaking the law when they chose not to pay overtime rates, even when they argued that it was financially impossible.

When finance was available, the payment of overtime was not in dispute. Unfortunately, this was a rare occurence and voluntary, unpaid overtime became Challenge's standard response to looming production deadlines. This did not, however, prove to be a satisfactory arrangement, either from the point of view of productivity or member relations.

Overtime "volunteers" were almost exclusively founder-members who resented the others apparent lack of

commitment:

> "Most people aren't interested in working overtime - they say they have families to care for, but it was a different story when we had money to pay overtime. So we just volunteer to work late and on Saturday mornings, but it's always the same people".

Requests for the introduction of an overtime rota were dismissed by the Founder-members on the grounds that it would cause too much resentment and ill-feeling. Furthermore, it might actually cause people to leave thereby exacerbating the basic productivity problem. During interviews for this study, non-volunteers maintained that they would still be unwilling to work with a rota, even if overtime was paid. They argued that overtime should not be compulsory under any circumstances. Only two women admitted that non-payment was the real reason for their refusal.

1.3.4 Job Rotation

As discussed in chapter three, job rotation is not a "principle" of co-operation in the same way as "no equity shareholding" or "one member, one vote", but it is nevertheless recognised as a highly desirable practice.

Some degree of job rotation, allied with the opportunity to actively participate in decision-making, would appear to be essential pre-conditions to the opportunities for autonomy, complexity and variety, the factors identified as crucial to the enhancement of self-actualisation and political efficacy. The extent to which

job rotation was practised in each of the four co-operatives was therefore monitored closely.

Several observers have noted the problems created by the perceived distinction between manual/non-manual or productive/unproductive tasks in co-operatives.(Emerson 1983, Tynan 1980, Wajcman 1983) This distinction would appear to manifest itself irrespective of the nature of the co-operative: job creation or alternative. The eradication of the distinction between both types of work might be considered essential to the achievement of an egalitarian workplace. It is therefore important to examine the extent to which workers were offered the opportunity to participate in tasks across both sides of the divide.

Most of the contracts undertaken by both property maintenance co-operatives required unskilled labouring work. It was therefore relatively straightforward to switch between tasks facilitating a degree of autonomy and variety, but complexity was relatively rare. When requests for jobs requiring specialist skills were forthcoming, Home Services were reluctant to turn them down. They therefore accepted commissions for work which they were unqualified to undertake:

> "We hate to turn away jobs because we need the custom. But we are a bit lacking in some skills - take electrical work for instance. One night before we were due to start a job I was down in the library reading a book on electronics. It's been costly at times - we've had to go back and re-do jobs and we can't afford to do that too often".

Although Home Services always had an exclusively male membership, they employed "a girl for the office" for a short period of time. There was never any question of recruiting a woman who might work with them on site - a woman's place was considered to be firmly in the office. She was never offered the opportunity of membership or participation in meetings.

The one woman participant in East End Contractors had been a member from the outset, but again her role was strictly office-based. She was keen to work on site and on one occasion did join the others in painting a fence in order to meet a deadline. During this time, she proved herself more than capable of performing the work, but still the male members were adamant that this occasion was to remain an exception. When asked to justify this position, one member (who was also her brother) argued that it was based on sound marketing:

> "I don't like Sally coming out. I don't think it looks good to the customers - she wouldn't be allowed onto the building site. She couldn't do the work we're doing - she wouldn't be able to handle the dust".

Sally was therefore saddled with all of the responsibility for the administration of the co-operative and refused access to the "male" preserve of the building site. Opportunities for job rotation in both property maintainence co-operatives were therefore strictly gender-defined, although the male members of Home Services retained responsibility for accounting and marketing.

From the outset, Scottish Textiles' scope for job rotation was severely constrained by the appointment of a manager. As a result of his unfamiliarity with administrative tasks such as paying bills or wages, he required the assistance of the one member who was capable of performing these functions. Mary therefore assumed these responsibilities, but became increasingly dismayed by her colleagues response. When she took time to sit in the office, they would accuse her of sacrificing valuable production time. Although there was no outright accusation of "skiving", it was inferred by her colleagues attitude.

As a result, Mary began to take the administration home with her in the evenings to ensure that it was completed without incurring the hostility of her colleagues. Not surprisingly, she began to resent the fact that she was sacrificing her own free time and not receiving any recognition from her colleagues. In fact, the more she "hid" the time necessarily spent on administration, the more she fuelled their speculation that the time she had previously taken in the factory had been unecessary. Nevertheless, Mary was prepared to continue these thankless tasks in her own time because she believed it essential to the co-operative's survival.

A depressingly similar situation arose in Challenge. There was a widespread belief that the only work of any value was the time spent on the physical production of the

garments. Responsibility for the administration of the business was initially shared between several members who adopted responsibility in specific areas such as purchasing and book-keeping. It was intended to rotate these tasks, but as resentment against the time perceived as "wasted" grew, members became increasingly reluctant to volunteer and lay themselves open to the unpopularity which the execution of these duties was likely to induce. Existing postholders became increasingly resentful of the hostility shown towards them by their colleagues:

> "I used to order the buttons and belts and everything, but I packed it in - you felt that it was you personally who was taking all the blame when stuff wasn't available because it wasn't delivered on time or whatever."

Referring to a colleague, the same member observed:

> "She gets really down sometimes. She deals with the customers and gets the stick".

The woman concerned was Alice who was being beaten from both sides in her responsibility for quality control and customer relations:

> "I must admit that sometimes I'm sorry that there is nobody here who can say "hurry up and get an order out". If you are on the phone and getting shouted out about orders not being ready, then you go and tell them and they mutter about you being bossy".

Both co-operatives were experiencing a great deal more success in job rotation between manual or "productive" tasks. This did not operate according to any plan designed to increase skill levels or job satisfaction, but

was determined by necessity as the situation arose. If there was a bottleneck as garments reached the button-holing or pressing stage, then machinists would be drafted over to ease the pressure. In this respect, both co-operatives were a model of labour flexibility which might be envied by management in conventional firms where a degree of demarcation remains.

It is interesting to bear in mind, therefore, that the variety displayed was motivated more by the need for job flexibility than a commitment to job rotation. Nevertheless, the variety was appreciated:

> "I've learned to use more machines that I didn't get the opportunity to anywhere else. There is the chance to learn a lot more. There is great variation in the work here".

> "I'm a machinist. Sometimes I examine..... I also hand sew occasionally. I could be an examiner now if I left the co-op. I have learned loads of things".

One woman did, however, express dissatisfaction with the way in which she was expected to switch between tasks as necessary. Comparing the present situation with that in her previous employment, she argued that:

> "There everybody had their own job to do and that was that. Whereas here, you're jack of all trades, master of none and you don't get the job satisfaction that you got in the other place".

Job rotation, in the limited extent to which it was being practised in all four co-operatives was therefore proving, on balance, to be a qualified success. Inspired largely by commercial necessity rather than humanistic

concern, flexibility between manual tasks was largely appreciated. The dilemma posed by the lack of legitimacy attached to so-called "unproductive" work was never adequately resolved. It is interesting to note that Challenge's dependency on the local CDA was fuelled by this problem because the more they could "contract out", the more they could avoid its confrontation within the co-operative.

2. Collective Co-operative Consciousness - External

2.1 Socially Useful Product

As illustrated above, the pressures bearing upon the co-operatives were such that even where commitment to the principles of co-operative working were initially apparent, their realisation in practice proved extremely difficult.

It is a principle of the movement that production should be based on social need rather than profit, the inference being that goods or services should be "socially useful", ie not weapons or goods of conspicuous consumption, but bicycles or wholefoods or some other worthy product.

It is understandable that emphasis should be placed on socially useful production, but the extent to which commercial opportunities exist in this area is limited. This is particularly true in the property maintenance and clothing trades. In the former, much of the work which serves the needs of public sector housing and the

community is still carried out by Direct Labour Organisations (DLOs). Small, private (or co-operative) firms do pick up work from Local Authorities, but the continued existence of the DLOs clearly restricts their access. Thus their main source of custom continues to be the private sector, commercial and domestic. The extent to which such work conforms with the notion of "socially useful" is debatable, particularly in view of the example of East End Contractors' work for a major national housebuilder where the co-operative was being exploited and unconvinced of the quality of the product they were involved in producing.

Both clothing co-operatives were involved in producing high-quality garments, but these were targetted at relatively wealthy tourists and the fashion conscious who can afford to pay for exclusive, designer-label clothing. The quality of their product was not in doubt, but their products were not within the price range of most people. It would not have made commercial sense for either co-operative to go "downmarket" into the production of garments which retailed more cheaply. The latter is a crowded market with keen competition from cheap imports.

Thus the production of "socially useful" garments in the sense that they were available to a relatively large section of the population was not a viable option - they had to remain "exclusive" to command the margins necessary for survival.

Similarly, it was never really an option for either of

the clothing co-operatives to adopt a "socially conscious" buying or selling policy. They could not afford to be selective about who they would produce for and they had little choice about who their suppliers were.

It would appear that the property maintenance co-operatives had more scope in this respect because they could have charged differential rates to different customers. For example, reduced rates for pensioners or other co-operatives. Although Home Services secured contracts with the latter, they never contemplated a reduction in their rates which they believed were already too low, but necessarily so in order to compete. Similarly, East End Contractors did not operate any preferential policy and never considered doing so.

It could be argued that the option of "socially useful production" is only open to those who have the necessary skills, resources or niche in the market. There are examples of co-operatives in the computing, architecture and legal sectors which choose to forego profit to pursue these principles, but they are still likely to continue to make a comfortable living.

2.2 Identification with the Wider Co-operative Movement

At the outset, there was a strong contrast in the levels of identification with the wider co-operative movement displayed by the Scottish and English co-operatives. The former displayed very little recognition of their being a wider movement and they had very limited

contact with other co-operatives. No participant had ever attended a Scottish Co-operative Development Committee (SCDC) or Industrial Common Ownership Movement (ICOM) general meeting.

In contrast, both English co-operatives were aware of the existence of a wider movement and members of both had attended Northern Region Co-operatives Development Association (NRCDA) and ICOM general meetings. One member of Property Services was a member of ICOM's regional committee for a year, another regularly attended NRCDA's monthly meetings for a period of about six months. Challenge regularly sent representatives to NRCDA's monthly meetings for about a year.

Challenge sought "volunteers" to attend these meetings, but the founders' original hope that many people would rotate attendance was not realised. Instead, only four people were interested, but this waned over time for the following reasons:

- the meetings were held in Newcastle in the evening. A half-hour drive each way was required

- [illegible]teers" became disillusioned with their colleagues unwillingness to become involved and lack of interest in their reports

- the meetings themselves were often "boring" or ill-tempered. In view of their experience of the latter in their own workplace, why volunteer to experience more of the same?

- the meetings were dominated by articulate, middle-class professionals who inhibited their willingness to participate

No conscious decision was taken by either co-operative to withdraw, instead there was a gradual decline in regular attendence. Most working co-operators attending NRCDA meetings would have preferred to spend the time discussing mutual problems and suggestions rather than Agency business. It is interesting to note that the job creation co-operatives themselves expressed an interest in establishing a "co-operatives forum" which would meet regularly and independently of the NRCDA monthly meetings. This initiative met with limited success because of the lack of sustained enthusiasm and time of participants.

In view of the limited extent to which all four co-operatives expressed a collective sense of identity with the wider co-operative movement, it is probably not surprising that individual perceptions and identification proved similarly undeveloped.

3. Individual Co-operative Consciousness - Internal

Participants' perceptions of the distinguishing features between the rewards and responsibilities of employment in a co-operative and a conventional firm are a significant indication of their own individual level of co-operative consciousness.

3.1 Co-operative/Conventional Distinction and Preference

This was one of the areas which exhibited considerable changes over time. The earlier the interview, the greater was the enthusiasm and optimism for co-operative working. During the initial interviews, a sense of control over

one's work and the presence of "a challenge" were the most commonly identified distinguishing features between a co-operative and a private firm. But the price of control was responsibility:

> "It's great not to have someone breathing down your neck all of the time .... at other factories you have to sit with your head down, but we can have a carry on ...(but) we realised that we were going downhill and everybody pulled their socks up - some people do extra things".

When asked during the first interviews whether, if given a free choice, they would prefer to work for a co-operative or any other form of business, all but two said that they couldn't go back to work in a private firm. Six people, all in the clothing co-operatives said that they would prefer to be self-employed. The reasons were:

> "I've always had a hankering for my own place where I could work alone"
>
> "you can choose your own hours"
>
> "you don't have the niggles that always exist in factories".

All stated that they were not dissatisfied with the co-operative as such, but with factory work in general.

Four people qualified their answers in favour of a co-operative by adding that they would prefer to work in one of a different size. Two in the property maintenance co-operatives believed that a larger co-operative would be preferable, whilst two in clothing favoured a smaller.

> "I'd like to work in a smaller co-operative. I think in many ways ours is too big.

> There are too many different personalities. I think it would be easier to get on together in a small co-operative - there wouldn't be so much friction, so many little groups".

From the opposite point of view:

> "The smaller the co-operative, the more problems there are. Differences of opinion are more acute".

The two who said that they would prefer to work for a private firm gave "less worry" as their reason:

> "in a co-operative, you know that if you don't get your orders out, there is no pay at the end of the week. In other factories, that is somebody else's worry".

By the time of the second interviews, the ground was shifting. More people were expressing dissatisfaction with the "worry" they had to experience. At this point, it must be borne in mind that the actual number of members in Challenge was declining rapidly and it was this co-operative which experienced the most significant shift in attitudes of the four. New employees expressed little interest in membership because of the worry they associated with it, whilst existing members became increasingly resentful of their increasing responsibility and apparently declining recognition and popularity.

Actual membership in the other three co-operatives remained static throughout the second and third interviews, but it must be remembered that only four of Scottish Textiles' eleven employees were ever invited and became members. Thus Challenge came increasingly to

resemble its Scottish counterpart as its ratio of non-members to members grew.

3.2 Degree of Identification with the co-operative

From an early stage it became obvious in the clothing co-operatives that the degree of individual identification with the co-operative was largely determined by involvement in its foundation. In Property Services, it was felt that the person with overall responsibility for administration carried a disproportionate amount of influence. In East End Contractors, it was the oldest person who had most previous work experience. In all four co-operatives, this imbalance was recognised by those allegedly bearing the influence as well as those who alleged it:

> "I know it shouldn't happen, but I tend to know everything that is going on here - I suppose it's because of the jobs I do and because I make a point of knowing. At meetings, people tend to take a lead from me".

The founder member/others disparity in influence and identification in the clothing co-operatives was largely attributed to the former's responsibility for "office work". Since they were more aware of all aspects of the co-operative's trading, they were the ones with most to say in meetings. They were the people requested by telephone and personal callers to the factory - pressure for consistency in communication by outside contacts helped maintain and reinforce the existing divisions.

Challenge's founder members insisted that they were

keen to share the burden of responsibility with the others, but claimed that a combination of the absence of time for training and the reluctance on the part of the others to train made this impossible.

3.3 Participation in decision-making

The extent to which opportunities to participate in democratic decision-making actually presented themselves within each of the four has already been discussed. It was found that in three of the four, these opportunities were very limited because of lack of commitment or time. Challenge was the exception in that they did hold regular meetings, but the experience of these proved dramatic and traumatic. Again, lack of experience and training coupled with considerable commercial pressures mitigated against the development of successful, democratic decision-making structures.

4. Individual Co-operative Consciousness - External

4.1 Identification with wider co-operative movement

None of the Scottish respondents displayed any sense of identification with a wider co-operative movement at any time during the study. In contrast, the founder members of both English co-operatives did volunteer such an identification, but argued that they had no time to become more involved in ICOM or the CDA beyond one person's one-year membership of ICOM's regional committee.

Participants' perceptions of the political significance of worker co-operatives are discussed in the following

chapter.

Co-operative Consciousness - Summary

Contrary to what might reasonably have been expected, evidence of co-operative consciousness in all four areas identified at the beginning of the chapter actually declined during the study.

In view of the evidence presented above, it would appear that the "degree of commitment to the principles and practice of co-operative working and identification with the wider movement" varied between the four co-operatives and altered over time. Both Scottish co-operatives displayed little awareness or commitment throughout the research, whilst their English counterparts appeared to experience a decline as the research progressed. This would seem to be attributable to the following factors:

early commitment

- influence of CSO*: the extent to which co-operative principles and practice are publicised and encouraged by CSO

- appointment or otherwise of a manager: the appointment of a manager places clear restrictions on the parameters within which the organisation can genuinely be collectively controlled

later developments

- commercial pressure: this would seem crucial in determining the scope for investment in time and training essential to the development of a self-managed co-operative

*CDA or ICOM

- degree of involvement of CSO: this would appear to be closely allied with the above. During periods of commercial difficulty, dependency on the CDA is likely to be high. If the former is a continuous state (ie Challenge), it is extremely difficult to shed reliance on "experts".

Chapter Eight

Job Creation Worker Co-operatives as Agents of Personal Change: the Research Evidence

Introduction

In this chapter, we explore the research evidence of personal change as manifested in developments in feelings of personal and political efficacy and political consciousness. In each of the three interviews conducted, participants were asked about changes in attitudes and behaviour in the following areas:

Personal Efficacy	Political Efficacy	Political Consciousness
1.practical skills 2.social skills -self-confidence	1.propensity to vote 2.support for/participation in political/community activities	1.perceived politial and economic significance of co-ops 2. voting pattern 3. support for trade unions 4. gender consciousness 5. attitudes to human nature

After exploring developments in each of the three broad areas listed above - personal efficacy, political efficacy and political consciousness, we identify the factors which combine to instigate change. We have already noted the inter-connection between commercial performance and the influence of the CDA in shaping co-operative consciousness, a pattern which we shall see repeated in our analysis of co-operative working and personal change.

Personal Efficacy

Evidence of developments in feelings of personal efficacy were sought as they manifested themselves both inside and outside the workplace. To what extent were new practical and social skills developed within the co-operative affecting participants' behaviour outside? Similarly, was the feeling of being a "partner" in a business influencing general levels of self-esteem and confidence? This latter question does, of course, beg the question of the exact political connotation of the term "partner" and illustrates the essential inter-connectedness between personal development and political consciousness. If participants recognise their own increasing confidence, what political conclusions are drawn from it? This is a point of debate as illustrated in the conflicting approaches outlined in chapter two.

1.1 Practical Skills

Practical skills refers here to the ability to perform various tasks - manual or administrative - at work. Both English co-operatives reported a limited degree of progress in practical skills development, whilst the experience of the Scottish co-operatives was even less encouraging. Opportunities to acquire new practical skills were discussed in the previous chapter and found to vary according to the labour process of the market sector, the maintenance or otherwise of a distinct managerial function and the involvement of the CDA.

The labour process of the market sector involved dictated the fundamental scope for autonomy, complexity and variety in the tasks performed within each co-operative. Switching between manual jobs did occur, albeit within conventionally-defined gender stereotypes with only males cutting in the clothing factories and going out on site in the property maintenance co-operatives. Irrespective of the limits imposed by the nature of the product or service offered, every co-operative had the possibility of taking and sharing responsibility for its own administration, but we have seen the problems of participation in collective decision-making through meetings and the legitimacy crisis suffered by so-called "unproductive" office work. The evidence would suggest that those who nevertheless actively participated in meetings and took responsibility for the office work were those who identified developments in their own skills and confidence. As we shall see, however, this did not uniformly manifest itself in a positive and welcome fashion.

1.2 Social Skills

Without exception, those who believed that co-operative working had affected their social skills were those who were most actively involved in organisation and decision-making. All were full members, and most had been founder-members. The most pronounced changes were identified by

the founder-members of Challenge during their first eight months of trading. After this time, new members and other recruits reported no identifiable changes in the social skills of themselves and other participants. This begs several important questions relating to:

-the significance of the origins of the co-operative
-the decision-making processes adopted at various stages in the co-operatives' lives
-the administrative practices adopted

These three categories have been identified because every participant who reported developments in their own social skills had been actively involved in each. All had been founder-members, active in meetings and had some responsibility for performing the tasks generally associated with management in conventional firms.

Challenge had arisen out of the determination to create viable jobs nurtured during the occupation of the previous factory. The experience of organising and conducting a factory occupation had undoubtedly developed the women's sense of what was achievable. Although the occupation did not achieve the original objective of saving the factory and its equipment, it was nevertheless considered successful because it forged commitment to the foundation of the co-operative and received sympathetic media and political attention. Confidence developed during this period laid the foundations for the building of Challenge, carrying the founder-members through the turbulent highs and lows of the pre-start up period. The occupation also emerged as a major factor in their decision to establish a

co-operative: they rejected traditional managerial hierarchies and, despite their lack of familiarity with worker co-operatives, their vague knowledge that they were based on egalitarian principles was sufficient incentive.

Contrast this situation with that of Scottish Textiles where the workforce of the founder members previous workplace had accepted news of the closure without resistance. Whilst the desire to create secure employment was also strong amongst the founders of Scottish Textiles, they had not experienced the sense of achievement gained from a partially-successful occupation.

These founder-members became the dominant figures in Challenge and remained so for as long as they stayed in the co-operative. This was not because they consciously sought to control the business, but emanated from, and was perpetuated by, the sense of responsibility and commitment which they brought with them from day one. Incomers who hadn't shared the experience of the occupation deferred to, whilst resenting at the same time, the apparent knowledge and confidence of the founders.

1.3 Self-confidence

Founder members of three of the four co-operatives personally volunteered evidence of this new-found confidence during the first interviews. Scottish Textiles was the exception, although one of the founder members there did argue that she could detect changes in her male colleague - the manager. She argued that he was now more

assertive, but he professed not to identify any changes in himself. Whether this was genuine or false modesty is impossible to evaluate. From the beginning, however, participants in Scottish Textiles believed that working in the co-operative was insignificant to their own personal and political experience.

In the other three co-operatives, those who did identify personal changes in confidence and assertiveness were almost unanimous in their belief that it was a positive development. Most believed that they were now "tougher" and that this was, on balance, "a good thing". Members volunteered many varied examples of their developing confidence and ability to stand up for themselves as the following cases illustrate:

> "I think everybody here has learned to talk. I went to see the bank manager last week about buying a house. I was confident about going to see him, he's just another person doing a job. A year ago I would have been terrified of him".

> "I never used to speak out at anything and I do now. You know I never used to take anything faulty back to a shop because I was so shy and backward, but I wouldn't stand for it now ..... If you have more knowledge, you're more confident. I used to be a bad mixer, but I can talk to anybody now".

> "On the phone at first I used to have a heart attack, but now I'm ready for anything. I'm also more thick-skinned, I'm not as sensitive as I used to be ..... I've learned to stand up for myself".

Evidence of increased self-confidence was most pronounced amongst those who dealt with customers and outside agencies, but when asked why they thought they were more confident, the reason most commonly cited by participants

themselves was the experience of meetings. As we saw in the previous chapter, Scottish Textiles did not hold regular, participatory meetings. Instead, meetings were held "when required" and were largely intended to pass on information rather than decision-making through debate. Learning to contribute to debate, give and take criticism and cope with the accompanying trauma was indeed difficult, but created a sense of achievement. The tragedy for Challenge was that it couldn't be sustained. Increasing pressure created by largely commercial pressures quickly undermined the tentative foundations which had been laid.

One member of Home Services believed that he was now less deferential to authority and cited the example of the way in which he would request that repairs to his council home be carried out. Citing a recent experience as an example, he contrasted his previous attitude of "when it's convenient for you" with "it needs to be done immediately" and being generally more assertive.

One respondent believed that she had become less confident as a result of her experience in the co-operative. She was a seventeen year old founder member of East End Contractors. As she explained:

> "I'm more narky with people now. I have noticed it myself. I don't need anyone to tell me. I am also less confident. I even went to the doctor about it - I felt that I couldn't talk to people. I hide from people in the street. I can't understand why I'm behaving like this - terrified to talk to people, even my friends".

In general, she had a sense of hopelessness about the co-

operative's prospects for the future. They were sadly lacking in support and advice and bearing the consequences of their treatment by the national housebuilder for which they were working. This was also her first job, and it could be argued that she was having difficulty in adjusting to the experience of work. This argument does not, however, seem to be a very convincing one. Instead, the root cause of her distress would seem to be much more connected with the degree of responsibility and uncertainty with which she was having to cope without any training and very little support from other experienced adults. She was also quite isolated within the co-operative as the only woman who was not considered an equal in the eyes of the men who, despite her wish to do so, would not allow her to accompany them on site. Forced against her will to take responsibility only for office tasks, she believed that the men never really appreciated the stress involved in performing this role. In the circumstances, it might seem hardly surprising that she suffered stress symptoms to the extent that she did.

By the time the second interviews came around in January 1986, East End Contractors had ceased trading. The male members of the co-operative were largely indifferent about the co-operative's demise: they believed that it had given them valuable experience, but were not sad that it had ended. None of them had found steady employment, but were picking up bits and pieces of labouring work, usually in the black economy of Glasgow's

east end. The oldest participant believed that he had become more confident because of his experience with East End Contractors, but the others believed that, in this respect, it had been insignificant. He was the brother of the only female member and she, meanwhile, reported that she felt enormously relieved that the co-operative no longer existed. She still believed that the experience had had a negative impact on her confidence, but she had recovered from the stage where she hid from people in the street. Her ambition was to become a nursery nurse and she had applied to a course at a local college. Her only concession in the co-operative's favour was that the experience might act as a factor supporting her application.

The other three co-operatives were still trading when the second interviews were conducted, but each was facing significant commercial problems. Home Services confronted their problem by accepting commissions for work for which they were not qualified and diversifying into leaflet distribution. Both required the hiring of casual labour as and when required. This experience inevitably undermined their collective identity as a series of short-term, hired labour passed through the co-operative.

As the three founder members became hirers of labour in the starkest sense, they came increasingly to identify with the experience of managers in conventional firms. One member believed that, whilst the functions of

management did not deserve to be mystified, he had developed new-found respect for some of their problems:

> "It has opened my eyes. I have always been on the other side of the bench with my overalls on and now I see the other side of it when the brickies don't turn up for a job and so on. I'm more sympathetic now to people managing a business".

This quote would seem to support the worker capitalist interpretation of the impact of co-operative working. How participants did, in fact, interpret the wider economic and political significance of what they were doing is the question addressed after the discussion of developments in feelings of political efficacy.

Political Efficacy

Evidence of developments in feelings of political efficacy were sought in the co-operators' propensity to vote and support political and community campaigns. Connections were being sought between the sense of political efficacy developed as a result of participating in a workplace run democratically by working class people and support for other popular movements.

2.1 Propensity to Vote

Apathy amongst the electorate in the form of not voting in national and local elections can be interpreted in different ways. It can be ascribed to a general feeling of indifference arising from a lack of concern or interest in perceived "political" issues. A sense of being only one amongst millions can deter some people from bothering

to vote on the basis that one little vote won't have any impact of the final outcome. There is also the argument that voting doesn't really alter anything: society doesn't fundamentally change whichever party is in power. The latter argument is used by the revolutionary left who argue that apathy doesn't necessarily reflect indifference, but a sense of hopelessness and powerlessness. Nevertheless, revolutionary left groups do urge supporters to vote in elections.

So does a willingness to vote necessarily reflect a sense of political efficacy? I would argue that it does because it illustrates an individual's belief that their own behaviour is politically significant by seizing opportunities to participate. That is not to say that they will be convinced that voting is capable of producing the kind of society that they would like to see, only that they are prepared to take advantage of opportunities presented to them to express their political beliefs.

The following table illustrates participants responses when they were asked if they would vote in an impending election, how they would vote is discussed later.

Table 10: Voting Intention

	1st interview		2nd interview		3rd interview	
	yes	no	yes	no	yes	no
Challenge a	9	5	11	3	8	2*
			b 3	2	4	1
Scottish Textiles	9	0	9	0	9	0
Home Services	3	0	3	0	3	0
East End Contractors	3	1	4	0	3	1

a members present and interviewed from beginning b later entrants
*disparity caused by inability to contact ex-members at this stage

Scottish Textiles workforce was unanimous in its willingness to vote in a forthcoming election and this did not alter throughout the interviews. Challenge showed the greatest change with two members interviewed from the beginning indicating that they would not vote the first time, but deciding that they would by the time of the second interviews. By the third interviews, one of these people had again decided that she would not bother to vote. Those refusing to vote cited several reasons: their distrust of all politicians, the similarity between party policies and a total disinterest in politics. Non-voters also revealed a lack of interest and confidence in other community issues, responding negatively to the question of how "people like yourself" can exercise influence in the community.

2.2 Support for/participation in political/community activities

Questions relating to community influence and political

power were deliberately unstructured: respondents then interpreted the question in several ways. Firstly, in terms of what they identified as "people like yourself" and secondly in terms of who or what should be influenced. With respect to the former, people slotted themselves into the following categories: the working class, the unemployed, co-operators and women. All believed that any influence they might have would be amongst others in their identified category, not politicians and policy makers.

During the first interviews, five of the Scottish respondents (three from East End Contractors, two from Scottish Textiles) believed that they had provided an example to other working class people, particularly the unemployed:

> "We've shown that it is possible to do things yourself, you don't need a boss. Working class people are always told that they are thick, need people to tell us what to do. We've proved that it isn't true".

They believed that their experience revealed that working class people were capable of taking control of their working lives, but the odds were firmly stacked against their success:

> "but it's difficult to set yourself up in a market that isn't already overcrowded or you need lots of money to get into and working class people don't have that money".

Though lacking a more politically sophisticated model of a society in which working class people did control their lives, they nevertheless did display strong class identification and confidence in its ability.

In contrast, those who identified themselves as "co-operators" held more individualistic attitudes. One of these respondents refused to vote Labour because of the party's strong support for child benefit, arguing that if people chose to have children, they alone should have the responsibility of paying for them. Although all "co-operators" agreed that present unemployment levels were intolerable, their approach to its alleviation through co-operative development was not dissimilar to the Conservative party's self-help philosophy:

> "We've got to fight back against unemployment. People starting co-operatives show others that it is possible to do something about it - it's up to the individual to decide what to do. But some people just don't seem to be interested in trying to help themselves".

Finally, a few women believed that they had struck a blow for women's equality. Although, as discussed later, these women would not have described themselves as feminists, their experience of dealing with officialdom and customers had revealed a degree of sexism which they hadn't expected:

> "I've found its a very male-dominated world running a business. People take advantage of us because we are a group of women".

But the women in Challenge did derive a great deal of pleasure from the fact that they could announce that they were in charge when callers to the factory automatically assumed that there must be a male boss. This leads us

into the question of what significance and impact they attached to their actions in establishing and operating a co-operative. How did this experience translate itself into developments in political consciousness?

Developments in Political Consciousness

3.1 Perceived political significance of co-operatives

Each participant was asked if they associated worker co-operatives with any particular political party or philosophy. Although nobody associated them with the Conservative party, there was no strong identification with the Labour party despite the latter's electoral popularity (see table 10). In Scotland, where Labour support was 100%, only one person believed that co-operatives were inspired by Labour movement principles. In her own words:

> "Co-operatives are owned by the workers who take their own decisions, so they must have the same aims as the Labour party who want working people to have a bigger share of the wealth and more say in how things are run".

This was, however, very much a minority view in Scotland. More common was the following response:

> "To me work is work and that is all. There is nothing political about it".

In contrast, one half of all the English respondents consistently identified worker co-operatives with a specific party. With the exception to two people, they associated co-operatives with the Labour party:

"I would say Labour because co-operatives are about the working class trying to give themselves work."

"The people I've met from other co-operatives seem to be more political than us. I suppose it's because co-ops are a change for the better. If I had to choose, I'd say the Labour party because they are all about people working together instead of against one another - well, supposed to be".

The remaining two associated co-operatives with:

"Feminists and CND. For no particular reason - I just do".

The above reply came from the male cutter at Challenge. A co-worker, meanwhile, reported that:

"someone said to me once that co-operatives were communist because we were all equal and didn't have any bosses. But I don't know anything about communism, so I couldn't say".

The woman responsible for the above quote was a machinist at Challenge recruited between the first and second interviews. She couldn't remember who had told her that co-operatives were communist and professed her ignorance of the philosophy of communism. When interviewed eight months later, she reported that she now believed that co-operatives were apolitical. Reminded of her earlier comments about equality and the absence of bosses, she laughed and said that Challenge was then certainly not a communist organisation.

The male cutter still identified co-operatives with feminists and CND on subsequent interviews, but made it

clear that Challenge was the only co-operative with which he was personally familiar. One anti-nuclear poster and one feminist poem were displayed on the walls in Challenge, but the women were not members of CND or active in feminist politics. Instead, the lasting impression which they obviously made on their male colleague arose from their practical situation as women in charge of a factory.

The consistently high identification of co-operatives with the Labour party amongst English respondents is, to a large extent, explained by the political profile of the local CDA and, in the early days, ICOM. Those who had contact with ICOM during the pre-start up period or had ever attended the monthly meetings of NRCDA were aware of the political sympathies of officers. The CDA's executive committee was dominated by Labour party members, councillors and trade union representatives. As noted in chapter six, NRCDA development workers encouraged new co-operatives to join an appropriate trade union and passed an "anti-privatisation" charter declaring their opposition to privatisation and refusal to work with any co-operatives hoping to win these contracts. In contrast, SCDC had a much more management-oriented executive, promoted "employee ownership" in their literature and did not actively encourage new co-operatives to join trade unions.

It therefore seems hardly surprising that the English co-operators identified their status more with the Labour

party, whilst their Scottish counterparts didn't. It did not necessarily follow, however, that identification of co-operation with a particular political philosophy also reflected the individual's support for the latter.

Voting Behaviour

During the first interviews, every participant was asked if and how they voted in the June 1983 general election. During the subsequent interviews, participants were asked if and how they would now vote in an election. The following table illustrates their responses:

Table 11: Voting Behaviour of Participants

	Vote in June 83	1st interviews	2nd	3rd
Labour	24	23	23	24
	b 2	-	2	3
Alliance	1	1	2	2
	b 1	-	1	1
Conservative	0	0	0	0
Other	0	0	0	0
Total Voting	28	24	30	30
Total not Voting	7	6*	5	3**

* total excludes b participants (ie those who joined Challenge between the first and second interviews)
**total excludes two founder members of Challenge no longer contactable

Participants propensity to vote therefore increased during their time in the co-operative, with both Labour and the Alliance acquiring new supporters since the 1983 general election, but only two respondents claimed to be interested in politics.

Labour was by far the favoured party throughout,

particularly in Scotland where 100% of all those who voted chose Labour.

Participants were probed about the factors which caused them to support a particular party. Family and neighbourhood influence emerged as strong factors affecting allegiance. Only two women (sisters) had a close relative (mother) who had been directly active in politics, in this case as a Labour councillor. Many others, however, had grown up in families or areas with a strong Labour tradition. One man regularly canvassed for the Labour candidate in the local elections, though he himself was not a member of the Labour party. Nobody interviewed was a paid-up member of any political party.

The Scottish clothing co-operative is situated in the heart of the Fife coalfield. This area returned a Communist member of Parliament during the wars and the Communist party maintains a presence on the local council. The first and second interviews were conducted during the miners strike which was unanimously supported by the members of this co-operative. Although situated in Sunderland which also contains coal mines, Challenge displayed less interest in and support for the miners, despite the fact that one member was married to a miner. There was, however, a great deal of concern over the issue of unemployment within Challenge and the three other co-operatives, hardly surprising in view of their origins.

Whilst many believed that unemployment would not be

eradicated by a change in government, there was a general feeling that the Conservatives lacked concern about, or even actively promoted, existing high levels of unemployment. This is evident in the complete absence of support for the Conservative party at any point as illustrated above.

Only four people switched allegiance between interviews, abandoning Labour for Alliance and vice versa. When asked to identify the factors which caused the change, one cited the reason that Labour had been "hijacked by trendies", abandoning working class interests in favour of fringe issues. By the third interview, this person was still critical, but had returned to Labour believing that the Alliance was even less in tune with working class needs.

There was only one Alliance voter who remained consistent throughout. She had been a Labour supporter until the 1983 general election, but switched allegiance because she believed that Labour protected the lazy and incompetent. A late entrant to Challenge, her daughter had established a hairdressing business in the early 1980s. She volunteered that her daughter's experience had influenced her own change in political persuasion. Watching her daughter painstakingly build up a viable business, she argued, had taught her that enterprise must be encouraged and rewarded. Labour did not convince her that they supported enterprise and, whilst she believed that the Tories did, she could not bring herself to vote

for them. Whilst being pro-enterprise, Tories were anti-working class, concerned only with looking after "their own kind". This left only one option - the Alliance. They seemed to support enterprise, but be concerned about working class people at the same time.

This woman considered worker co-operatives to be an example of working class enterprise, but did not associate them with any political party. Her position on "class" and "enterprise" was clearly confused, believing that working class people should be more entrepreneurial, whilst recognising that the odds were stacked against their success in comparison with the middle class. She was also a strong supporter of trade unions, arguing that they were a necessary protection for working class people in both conventional businesses and co-operatives.

3.3 Support for Trade Unions

Participants' attitudes towards trade unions in general, and their role within co-operatives in particular, were monitored to gauge the extent to which they identified themselves with the rest of the Labour movement. In addition to reflecting a wider class consciousness, support for the principles of trade unionism was considered an important means of evaluating participants' degree of identification of co-operatives as vehicles for working class economic control.

The membership of both smaller co-operatives remained sympathetic to the existence of a strong trade union

movement throughout, but considered themselves necessarily detached from it by virtue of their ambiguous status as both employer and employee. Despite East End Contractors experience of being sent to Coventry by the union when they went on a building site, their sympathy for unions remained unshaken. If the union had adopted a more constructive approach and agreed to speak with the co-operative when the latter requested it, they would probably have recruited three new members and resolved the situation amicably.

Although he had consistently refused to accept nomination for shop steward in his previous workplace, one man had always been a union activist attending branch meetings and joining demonstrations. But he could see no virtue in union membership in the co-operative:

"Would we go on strike against ourselves?"

This remark reveals an instrumental approach to trade union membership that was typical of all respondents. Trade unions existed to protect the interests of workers against management, full stop. There was no identification of their having an overtly political function as campaigners for wider social and economic change: union membership as an expression of solidarity with, and contributor to the strength of fellow workers was not contemplated.

Scottish Textiles was not unionised, although everyone interviewed agreed that trade unions were desirable in

other workplaces, but irrelevant in co-operatives. However, the issue had never been discussed amongst the workforce and no formal decision had been taken. Instead, there existed a vague notion that since they were also the legal owners of the factory, a union could have no role to play. There had been no external advice or pressure to unionise from either a union or the CDA. Kiddiclothes, their previous workplace, had been well-organised, but the co-operators had had no contact with the union since its closure.

Moira, a founder member of Scottish Textiles, reported that her husband was Convenor at a local engineering factory. He was very doubtful about the co-operative because he knew the levels of stress which his wife experienced. She, meanwhile, hesitated to give him full information about what was really happening in the co-operative because she knew that he would disapprove.

Having received a great deal of moral support from the National Union of Tailor and Garment Workers (NUTGW)during the occupation and pre-start up period, Challenge's gratitude was evident. Although not formally a closed shop, everybody was initially a union member. None of the respondents had a family background of strong trade union activity, but most working relatives were union members.

During the first interviews,everyone at Challenge agreed that there was a role for the union within a co-operative. Their reasons were, however, pragmatic rather

than ideological as the following examples illustrate:

"The local full-timer was solid with us during the occupation and when we were starting up, so it seemed right that we should join the union. Also, none of us had any experience in pricing orders so we got some guidance from the union on the going rates ..... they also tend to know when there is spare work around".

"A few weeks ago, we had to work out if people were entitled to holiday pay, so we phoned up and asked the union. It was good that the union could tell us because some of the non-members who haven't been here very long thought that the members were just grudging them the money".

These examples illustrate the two different approaches to the value of the union within the first eight months at Challenge. First, it could offer practical advice on business matters such as pricing and, second, it could act as protector of the interests of the disenfranchised non-members against the decisions of the full members. This was expressed clearly by the elected shop steward (a full member) when asked what the role of the shop steward in the co-operative involved:

"I suppose I'm here to represent the point of view of non-members when they think they are being unfairly treated by the members. For example, we recently had a dispute about smoking in the factory. One non-member felt that the introduction of a ban on smoking during work time wasn't fair because most smokers aren't members. So we phoned up the union who sent someone out. She made us take a vote on the issue and the non-smokers won. Everybody accepted it and that was the end of that".

Challenge's approach to the union was therefore based on its perceived value as an independent arbiter and adviser on sources of work and pricing. By the time of the second interviews, this situation had altered dramatically. The only unionised co-operative in the study had experienced a trauma which decimated union membership and support. The story contains several key issues and justifies some attention.

The members of Challenge became increasingly suspicious of the behaviour of one of their colleagues. With the flimsiest of excuses, she was taking time off work. When she was there, she was receiving telephone calls and putting the phone down when anyone else walked into the office. During slack periods, she was running up her own garments - a not uncommon practice - but it was clear that the garments she was producing were not for her own use.

Everything fell into place when one of the co-operative's two existing customers informed them that this women - Ann - had approached them looking for work for a factory she was in the process of establishing. Not suprisingly, a major emotional confrontation erupted when an urgent meeting was called to discuss this. The women felt personally betrayed, not only was Ann setting up (as a private factory) in competition with them, but was jeapordising the success of their struggle by poaching their custom as well.

Ann was asked for an explanation at which point she

admitted that, for several months, she had been planning the establishment of her own factory. Premises had already been identified and funds secured. Outraged and hurt by this, the women ordered her out of the factory. She was summarily dismissed.

Ann immediately went to the union office where she alleged victimisation and unfair dismissal. The full-time officer with whom the co-operative normally dealt had recently been replaced and the case was heard by a newcomer. It was immediately taken up by the union who did not consult the co-operative to hear their explanation. Instead, they agreed to support a claim for unfair dismissal to be submitted to an industrial tribunal.

When the co-operative were informed, by letter, of the union's action, they were dismayed. If they had to pay compensation to Ann it could put them out of business. More immediately, they now felt morally betrayed by both Ann and the union. The latter's apparent lack of interest in their side of the argument was particularly baffling given their previous history of good relations with the union.

Instead of contacting the union for an explanation of their behaviour, the women reacted by denouncing the union and renouncing their membership.

A pre-hearing assessment occured in which Ann's case was dismissed. To the date on which the co-operative closed, there was no further contact between it and the

union. The now ex- members' bitterness and disillusionment with the union shows no signs of abating. Furthermore, it had translated itself into a wider sense of betrayal and despair directed against trade unions in general. In the words of one participant:

> "I'm not convinced that any other union would have acted differently. Unions want a quiet life - we upset that. Our case shows how unions protect individual members no matter how much damage they have done to other workers. They are not interested in working people as a whole, just their own little corner".

The Union's Story

When Ann arrived in the union office, the officer she met was very new to the area and had little prior knowledge of co-operatives. Confronted with a member alleging unfair dismissal, the officer decided to pursue her case. Lacking any background knowledge or involvement with the co-operative, she followed the traditional procedure of protecting the member's interests against those of an apparently unreasonable management. After all, there had been no warnings and no right to appeal. Since the officer was never actually contacted by the other members of Challenge, she never appreciated the hurt and outrage her decision caused.

After this episode, I interviewed the union's senior regional official about this case in particular, and the role of unions in co-operatives in general. The experience had left him suspicious of co-operatives:

> "I'm a trades unionist, not a social worker ..... I'm sick of being bashed from both sides. My union role has been turned on it's head since this co-operative opened. Not helping workers but getting work for co-ops.
>
> I don't see us as a union being arbitrators, our traditional role must come to the fore for the underdog and traditional worker .....If people are co-op members they should go to ACAS for arbitration or go to a consultancy firm".

Rejected, therefore, was the arbitration role which co-operative members considered a legitimate service for unions to offer co-operatives. Similarly, the practice of trying to secure orders through the union by drawing upon the latter's intimate knowledge of the market and its participants was a role not welcomed by the union.

Also rejected completely was the accusation of members that the union's position was determined on the basis of "first through the door". The official insisted that no cases would be adopted unless they were legitimate and offered prospects of success at a tribunal. In his opinion, Ann's case satisfied those criteria.

Generally disillusioned by his experience of dealing with the co-operative, the official concluded that, in his opinion:

> "trade unions in a co-operative are like eastern block trade unions. All workers are in a union, but cannot be independent of the State".

Issues Arising

The issues that emerge from this experience revolve around two fundamental points. Firstly, the procedures laid down for dealing with the rights of individual workers in traditional firms are extremely difficult to transfer directly to co-operatives. Secondly, trade union involvement, if there is any, is problematic for similar reasons.

There are particular problems in applying the ACAS code of practice on disciplinary procedures in a co-operative environment. There is the fundamental problem of coaxing members to agree to formal, written grievance and disciplinary procedures in the first place. If co-operatives manage to get this far, it is no guarantee that these will then be adhered to in practice when problems arise.

According to the ACAS code, verbal warnings should be given in the first instance when a worker is being disciplined. If these are ignored and the unacceptable behaviour continues, the verbal warnings are followed up by written warnings and, as a lost resort, the worker will be dismissed. This procedure is unsuitable for co-operatives for several reasons.

Firstly, ACAS procedures cannot deal with a personality clash. If people are not communicating, no amount of verbal and written warnings can improve the situation. Some kind of group therapy or discussion might - but whose

responsibility is it to instigate this?

Secondly, co-operators are both employers and employees. Whilst employers are restricted in their ability to sack employees simply because they don't like them, it is possible for partners in a business to split up because they don't get on. In the latter situation, there is usually some "buying out" and a financial settlement A co-operative with no financial flexibility will not be able to follow this example and ask a disruptive member to leave with the incentive of a "handshake".

Thirdly, the ACAS procedure is problematic because discipline in a co-operative tends not, in the first instance, to be carried out by formal procedures. Mechanisms of control are more informal. Personal pressure is generally used and a particular look, a sharp tone or a loud remark designed to be overheard is not, in our experience, uncommon. It is only at a relatively late stage that the question of discipline becomes formalised and at this point personal relationships may have deteriorated drastically. In a conventional manager/managed relationship, a verbal warning would be given at a much earlier stage possibly without a significant level of animosity on either side.

Fourthly, in order for the ACAS code to be followed each stage would have to be agreed collectively and recorded in the minutes of the co-operative. This presents particular difficulties. Minutes should be

circulated to all members and put up on a notice board. In Challenge, members whose performance was commented upon adversely often demanded that such a slur on their good name be removed. It is then difficult for the fellow co-operators to disagree. Working very closely with the disciplined person can lead to further difficulties: a boss in a conventional firm who has issued a verbal or written warning will not normally have to work directly alongside the worker under threat. In a co-operative, all work, breaks and meetings are likely to be conducted in the company of the threatened person. Again, it would be a very hard group of people who wouldn't either tend to "give in and make up" under such pressure or break into open hostility. Being a fairly lengthy process, the recommended ACAS procedure would drag hostilities out as each stage is passed through.

Finally, the ACAS code stipulates that there should be a recognised internal appeals procedure. If a decision has been taken by a general meeting of all members, however, who is there left to appeal to within the co-operative?

To summarise, only one co-operative was ever unionised although support for trade unions was strong amongst all four. That support, however, was based on instrumental rather than ideological foundations and explains the co-operators' failure to identify any purpose in joining a union as a gesture of class solidarity.

Confusion over the role which a union should play in a co-operative manifested itself starkly in Challenge when Ann was dismissed. That confusion was evident both in the co-operative and in the union. The conclusions drawn by the latter were negative: the senior officer resolved never again to become involved with a clothing co-operative. Challenge's membership, meanwhile, remained disillusioned and bitter, translating their antipathy towards the NUTGW into a wider despair about the performance on trade unions.

This one negative event proved a powerful influence overiding participants' more positive experiences of trade unions in previous workplaces and the solidarity developed during the occupation. Bearing this in mind, it is appropriate to move on to developments in participants' gender consciousness and evaluate the extent to which the practical experience of women controlling their own working lives was having an impact.

3.4 Gender Consciousness

Of the total of thirty five people interviewed, twenty eight were women, only seven men. Most respondents were women working in the clothing industry with an overwhelmingly female workforce, but male management. Property maintenance, meanwhile, is a predominately male sector where women are much more commonly employed in the office rather than on site. In such circumstances, the issue of equal opportunities seems a particularly

pertinent one.

As previusly discussed , the only male in both clothing co-operatives was the cutter and, in Scottish Textiles, he was also the manager. This is typical of the clothing trade in general where the skilled and prestigous job of cutting is traditionally a male preserve. When asked why they thought this was so, most respondents stated that the job involved lifting heavy weights and was therefore more suited to men. We have already seen that both men earned higher wages than the women with whom they worked.

The experience of running Challenge had made the women conscious of male domination in the industry and the readiness of the latter to exploit the women's lack of business experience. It should be said, however, that such behaviour was not confined to the males with whom they did business. Both of their major initial customers were female London designers capable of displaying similar degrees of ruthlessness and exploitation.

Visitors to the factory were generally referred to whoever happened to be in the office at the time. With one important exception, they were invariably female.

The one important exception was the male CDA worker. The vicious circle of dependency has already been explored, but it is worth mentioning again here from a different angle. In common with so many other situations in life, the source of respect and authority was male. Had the CDA worker been female, she would at least have contributed towards breaking down images of women's

dependency on the wisdom and authority of men. Instead, however, the image was perpetuated: a women's co-operative was still ultimately relying on a man to run it properly.

Home Services employed "a girl" for the office, but she was never offered full membership or asked if she would like to learn manual skills. Appointing women to work with them out on site was dismissed outright: women couldn't lift heavy weights and wouldn't be suitable. On the question of membership, they displayed less sex discrimination. Their unwillingness to invite new members was general and applied to both sexes.

We have already seen that similar attitudes towards the "unsuitability" of women to building work was shared by East End Contractors. Actively contributing towards the breakdown of stereotypes in society by the example of having women on site was never considered. Contrast this with the alternative building co-operatives, some of which are women-only, whilst others actively encourage women to perform non-traditional skills.(Cornforth 1988)

Three quarters of all participants believed that, in general, women did not have equal opportunities to men at work. Only one person, however, argued that discrimination occured within their particular workplace. She was the female member of East End Contractors.

Lack of opportunities in education, domestic responsibilities and general male attitudes were quoted as the reasons for women's under-achievement at work.

Although nobody interviewed expressed a preference for working for a male as opposed to a female boss in either their past work experience or hypothetical future, it was claimed that women in positions of authority were taken less seriously than men in similar positions.

One in four of the women interviewed volunteered the opinion that a group of women found it more difficult to work together than a group of men:

> "You know what women are like.
> They won't tell people when
> something is niggling them so the
> resentment all bottles up, then
> explodes and causes bad feeling.
> Men seem to be able to have things
> out and then not bear a grudge".

This was stated by a member of Challenge during the first interviews. When asked why she thought this, she replied that "it's just the way women are". As in a previous example relating to co-operatives and politics, however, she went on to qualify her answer by stating that other co-operatives seemed to be different. She had met women from other co-operatives at an ICOM meeting once and she remembered that they worked better together. Challenge, however, had no contact with women (or men) in other co-operatives other than that from which they occasionally borrowed equipment. Even this contact was extremely limited and did not extend to sitting down and discussing issues of mutual interest.

Four founder members of Challenge did report that their attitudes towards domestic responsibilities had changed since the foundation of the co-operative. Examples of the

practical effects included the following:

> "I used to clean up after my husband like he was a helpless bairn. Now if he makes a mess, I just leave it until he tidies up. I couldn't have done that a year ago - the mess would have got on my nerves. Now it doesn't bother me".

> "Before I arranged to go out anywhere, I used to check that he didn't mind. Now I just go ahead and do it. If he doesn't like it, that's his problem."

Rather than causing difficulties, however, the women reported that their husbands were sympathetic to their new-found independence. Another founder-member reported that she discussed work issues with her husband who admired her commitment and responsibility.

In general, however, the women's confidence in themselves and one another ebbed and flowed with their commercial performance. When Challenge's position hit an all-time low, the women adopted the most conservative response:

> "I sometimes think we could do with a man in here to tell them what is what. They would listen to a man".

In contrast, the majority of the women members of Scottish Textiles came increasingly to believe that they could run the co-operative better if there were no men at all. This feeling emerged strongly during the third and final interviews when they were becoming increasingly dissatisfied with the performance of their own male

manager and the "expert" installed by SCDC. They believed that they could run the co-operative much more effectively if they could only do it on their own. By this stage, they had actually discussed setting up their own co-operative, but had dismissed this move as too difficult.

Confidence in their own abilities to run the co-operative more efficiently and democratically was inspired more by their negative experiences of male management than positive examples of women's success. Nevertheless, they did possess a degree of confidence in women's potential otherwise they would never have considered leaving Scottish Textiles to establish their own women's co-operative. Although they envisaged a women-only workforce, this reflected their wish for their numbers to remain as they were without any new recruits. They did not rule out the possibility of hiring men in the future, but their strategy had not been developed to this stage.

3.5 Attitudes to Human Nature

Each respondent was asked about their perceptions of "human nature". Did such a thing exist? If so, what were its essential characteristics? This issue was considered important because it is a fundamental argument which is used to undermine the feasability of egalitarian and collective practices. Clearly, if human nature was indeed incapable of maintaining such qualities, the tenacity of organisations and societies founded on these principles would be dubious. In time, human nature would reveal its

essential qualities and erode or eradicate their collective, non-competitive principles.

In short, it was generally agreed that there was no such thing as "human nature". It was argued that people were motivated by a variety of concerns and perceived rewards, determined largely by their upbringing and social environment. In the words of one Scottish woman:

> "It all depends on how you are brought up. If you are brought up a communist, you will be willing to share. If you are brought up a capitalist, you've been taught to be greedy and selfish".

Recognition of the particular environmental circumstances was strong, as illustrated in the clothing co-operatives' attitude towards incentive schemes. Although they largely supported their introduction, they argued that it was training and the organisation of the industry which made them necessary, not the need to motivate people as such.

Approximately three quarters of all those interviewed consistently believed that, on the whole, people were prepared to put more effort into their work in a co-operative rather than as an employee in a conventional firm because they felt personally responsible for its success. Again, morale inspired by security was a crucial factor: co-operators felt a strong sense of solidarity and loyalty to their fellow workers during the better periods.

Summary of Evidence of Personal Change

Identification of personal change was highest during the first interviews, negligible during the second and non-existent by the third. To summarise the evidence:

-evidence of developments in personal efficacy were much more frequent in the English than the Scottish co-operatives

-self-identified reports of increased confidence was almost exclusively confined to founder-members of Challenge who had participated in the occupation

-participation in decision-making through meetings and contact with external agents were identified as the most significant causal factors

-feelings of personal confidence fluctuated with changes in commercial pressures

If we consider each of the above against the criteria of autonomy, complexity and variety, it would appear that these three factors are indeed significant. Autonomy through a feeling of genuine personal control over one's immediate work tasks and wider work environment through participation in decision-making. Complexity and variety through that same process of having some degree of influence over policy-making as well as acquiring other manual and administrative knowledge and skills. But two other issues which don't slot neatly into the ACV definition stand out as significant: the relevance of the occupation as a vehicle for personal efficacy and the importance of commercial performance.

The occupation did, of course, occur before the co-

operative was even considered as an option. Undoubtedly, it inspired founders and gave them the confidence to pursue the establishment of their own business. A positive decision to establish a co-operative was also fuelled by the sense of solidarity, camaraderie and achievement developed during this time. Confidence and optimism gained during this period was carried into the fledgling co-operative and consolidated for a while in the traumatic, but personally rewarding "honeymoon period". Thus the experience of the occupation effectively subsidised the early days of Challenge, but the subsidy run out when new recruits who had not shared that experience diluted its effect. Compounding this dilution was the harsh commercial reality, its incessant presence haunting every activity and decision.

The apparent significance of commercial pressures would appear to merit the inclusion of a fourth factor to consider alongside ACV as a vehicle for self-development - security. A degree of apparent security would seem to be vitally important in nurturing the kind of environment, both physically and emotionally, in which participants can develop their own talents without a fog of uncertainty clouding every experience. It must be borne in mind that **security** was precisely the quality being sought by the founder-members of all four co-operatives. As we saw in chapter six, this emerged as being of paramount importance: the desire to **control** one's work was not

valued for its intrinsic personal satisfaction, but for the degree of perceived stability and security which it provided.

The extent to which co-operators attached political significance to their co-operative status was largely influenced by the involvement of the CDA. There is no evidence from the study to indicate that working in a co-operative, in itself, affects political consciousness. How participants interpret the experience will vary according to their existing political orientations and the influence of outside agencies such as a CDA or ICOM. As illustrated in the case of Scottish Textiles, it is possible for co-operators to hold quite strong political beliefs, but dismiss the co-operative as insignificant to their advancement.

Conclusion

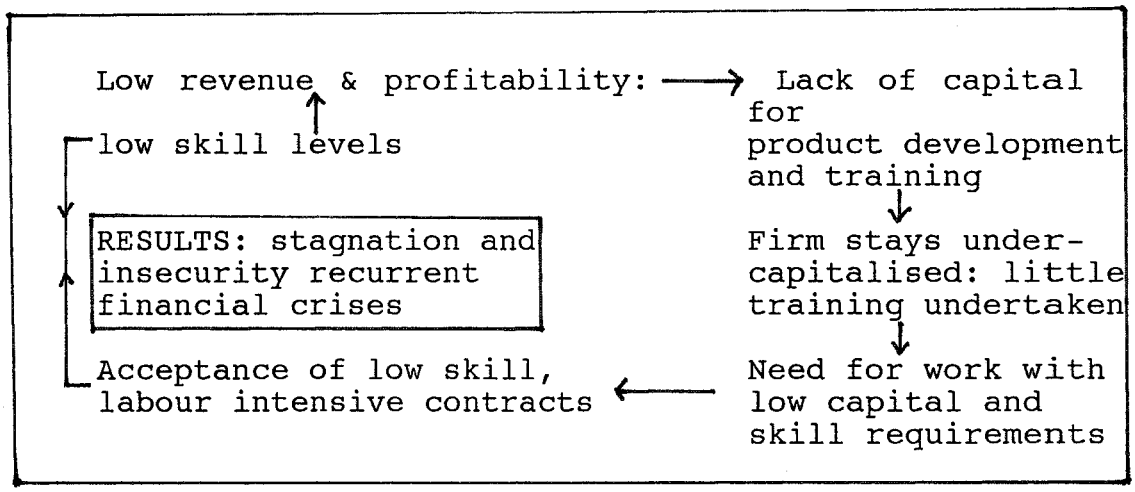
This research has investigated the extent to which the experience of co-operative working enhanced feelings of personal and political efficacy and affected political consciousness in four job creation co-operatives. From an early stage, it was evident that the three developments are not distinct, but mutually enforceable, perhaps even mutually inclusive. Furthermore, they could not be isolated and examined purely within the context of the four walls of the co-operative. Identification of the panoply of forces which would contribute towards the outcome of the research was clearly an important element of the research process itself. Basically, these are the economic, social and political factors as they relate to individual participants and the co-operative as an organisation and business.

Co-operative consciousness was identified at the outset as the necessary foundation on which the co-operative as a catalyst for social and personal change could be built. Autonomy, complexity and variety were the three factors identified as crucial to creating a work environment in which participants' feelings of personal and political efficacy would grow.

In reality, the extent to which the four co-operatives could offer these opportunities was severely constrained by the economic circumstances in which they operated. They could exercise only a limited degree of autonomous control. The experience of all four co-operatives

conformed with the economic vicious circle of a defensive (ie phoenix) co-operative as illustrated by Lockett in the following diagram:

Figure 4: The Economic Vicious Circle of a Defensive Co-operative



(Lockett 1978 p.84)

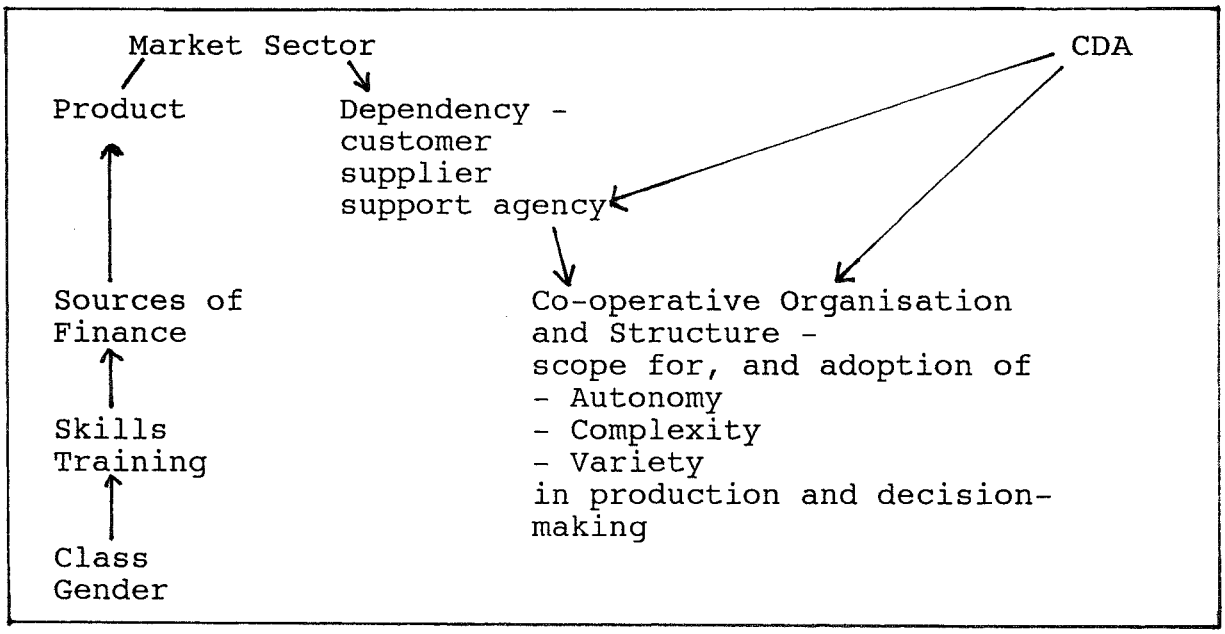
Lockett's diagram highlights the economic constraints faced by phoenix and job creation co-operatives once they commence trading, but wider social factors, based on class and gender, are also crucial in determining why participants establish co-operatives in particular market sectors in the first place. The working class women from Sunderland who established Challenge had worked in clothing factories since leaving school. Their class and gender determined the nature of the employment they expected and could obtain, based on the education they had received and in conformity with the social norms of the area.

Once established, these social factors will remain influential: a fear of debt or lack of confidence in

presenting arguments to the bank manager can hinder the co-operative's economic development.

Figure 5 below illustrates the most significant of these forces influencing the structure and organisation of a co-operative or, indeed, any small business. It is important to note that these will not be static, but vary over time.

Figure 5: The Co-operative in Context



The chain begins with class and gender for a number of reasons. As the figure shows, this is the major determinant of access to education, training and the skills an individual will acquire. Those skills will be both practical and social and both are crucial to developing the ability and confidence to assume the responsibility essential to co-operative participation.

Having greatly influenced the skills and training

acquired, class and gender will emerge again alongside these as a factor in determining access to sources of finance. Working class women are likely to be in a less advantageous position than middle class men in securing the confidence of the largely male, middle class banking community.

Access to finance will also be affected by the nature of the product or service the co-operative offers, and vice versa. If financiers believe that the market for the product or service is relatively secure, then they are more likely to listen sympathetically to requests for finance. The extent to which the latter is available will, in turn, influence the nature and quality of what is produced. Thus the relationship runs both ways. What a co-operative can offer will also, of course, be determined by the skills available within it. These in turn will have been largely determined by access to education and training which will have been mainly influenced by class and gender.

The availability of finance will be an important factor influencing the nature of the labour process which will come into operation. If the product falls within a market sector characterised by high levels of customer or supplier dependency, then the restrictions imposed by the latter will affect the internal organisation of the co-operative.

Another significant source of dependency is the CDA

which, with the best of intentions, might find itself unable to extricate itself from a co-operative which has come to rely on its status and expertise to resolve problems within the co-operative and outside in the form of customers, banks etc.. Such dependency has obvious implications for the development of internal control and self-determination for the co-operatives concerned.

It might appear that this chain has the potential to become a vicious circle of constraints upon the opportunities for autonomy, complexity and variety within the four walls of the co-operative. However, this would be overly deterministic.

Evidence of developments in individuals feelings of personal and political efficacy have been outlined and the experience would appear to have had some positive impact on most participants. At the same time, however, this has been acquired alongside a great deal of stress and pain, particularly in the case of Challenge and the woman in East End Contractors. Where feelings of heightened ACV were almost non-existent - ie in Scottish Textiles - participants reported no significant developments which could be attributed to the experience of co-operative working. But it might be argued that this is precisely because there was little or no experience of co-operative working: employment in that factory was very much like employment in any other factory.

It must be concluded that employment in a co-operative

is not, per se, a vehicle for developments in political consciousness, radical or otherwise. If there is little discernible difference between working in a co-operative or any other workplace, any connections between co-operative working and radical social change will not be evident. If the experience is actually less rewarding than that in a private firm, then it might reinforce commitment to the existing economic and social structure, revealing the "essential naturalness" of capitalist forms of ownership and control.

Should the experience actually be a positive one and participants develop a sense of their own and their class power, this awareness would need to be consolidated through political education. Greenberg's "theory of escalation" could not develop amongst co-operators in the absence of a political analysis of their experience. Understanding how it relates to the existing and potential organisation of society is fundamental if people are to make connections. Such education would be crucial in helping co-operators come to terms with the bad as well as the good patches. Instead of blaming their own and one another's inadequacies, they could locate their experience within the operation of capitalism. In the absence of such analyses, feelings of helplessness and despair can easily dominate.

There would therefore appear to be nothing inherent in co-operative status that produces the **autonomous control**

which will provide the opportunities for ACV leading to increased personal and political efficacy and political consciousness. Instead, much will depend upon the market sector, commercial constraints and existing political allegiances and influences.

It would, however, be wrong to end on a completely pessimistic note. The preceding discussion has assumed that co-operatives exist as individual units fully exposed to the vagaries of the market. This was true in the case of all four co-operatives studied. There are, however, three potential avenues through which the degree of autonomous control exercised by the co-operative can be enhanced. Evidence from the rest of capitalist Europe would suggest that the latter two can prove quite effective:

1. occupation of a "niche"
2. federations
3. market protection through State and Local Authority support

1 Occupation of a "niche"

Bearing in mind the very small size of the vast majority of contemporary British co-operatives, the scope for insulating themselves individually against the vagaries of the market would appear to be limited. Many of the alternative co-operatives have, however, enjoyed the support and faithful custom of those politically supportive of their organisation and "socially aware" products. Thornley has noted how:

> "While profit levels have been hard to raise, the survival record of these ventures has been good. They have a special position in the market due to the strong ideological backing they receive from their members and many of their customers".
> (Thornley 1980 p104)

By establishing a reputation for quality and reliability and capitalising upon customer loyalty, many co-operatives can achieve a degree of stability in the market. This has been true of the alternative co-operatives where there is a significant core of "radical" custom in, for example, wholefoods and printing. For many co-operatives in these markets, their status is a positive advantage. On the other hand, co-operatives operating in more conventional markets such as engineering might find their status more of a liability. They are more likely to encounter a high degree of ignorance or, worse, hostility. An article in a business magazine entitled "Taking the politics out of co-operatives" refers to their "bad image" within the conventional business world:

> "Indeed there are several images they* would like to shed for a more business-like look: the link with left-wing politics; the thought that co-operatives are just last-ditch attempts to save ailing industries; and the idea that they tend to be wholefood firms and the like, run by bearded eccentrics".
> (Your Business Autumn 1983)
> *National CDA, the Co-operative Bank

Thus it is argued that the traditional radical image of worker co-operatives is a distinct liability and needs to become more "businesslike". Yet it is precisely that radical image which contributes towards the continuing

stability of the alternative sector. It is perhaps not surprising therefore that the alternative co-operatives tend to make a point of publicising their status whilst many co-operatives operating in more conventional markets don't. (Financial Times 6.7.87)

Individual co-operatives have responsibility for marketing their own preferred image: they can stress their radical social objectives if they exist or project an image of conscientious worker owners beating conventional firms at their own game. Clearly, their choice will be influenced both by the orientations of the membership and the considered preference of the potential customers.

It must be concluded that, at an individual level, co-operatives cannot exercise any control as such over the markets in which they operate. Depending on their particular market, they can however capitalise upon the "image" of co-operatives which is likely to attract custom and foster confidence, although this might conflict with internal political principles. Any effective attempts to exercise more stable and rigorous control would appear to require some degree of collaboration between co-operatives, probably in the form of federations.

2 Federations

Fundamental to the achievement of the Co-operative Commonwealth envisaged by many early co-operators was the gradual establishment of federations. Whilst individual members would retain their autonomy in production and

organisation, the Federation would combine to purchase, distribute and market. Throughout the history of the British worker co-operative movement, however, there have been very few examples of such federations being established. The most recent concerted attempt began in the mid-1970s when the growing number of wholefood co-oepratives established the Federation of Northern Wholefoods Collectives (FNWC). To quote Thornley:

> "The Federation of Northern Wholefood Collectives (originally the Northern Wholefoods Co-operative) and Suma, a distribution warehouse, were formed in 1975. The FNWC became a loose federation of some fifty co-operative shops, restaurants and market stalls in the north of England which brought representatives together from its member co-operatives at meetings every six weeks. It levied money through the warehouse from the shops to provide credit for small shops in poorer areas, and occasionally made loans to co-operatives in difficulty."
> (Thornley 1980 p106)

The FNWC survived only a few years and was disbanded in 1978. A combination of the lack of time and money made organisation difficult, but a consistent failure to agree on the development strategy of the Federation made survival impossible. As Thornley noted:

> "The movement had been divided between people who favoured expansion for political reasons, and others with a more insular approach. The FNWC collapsed over the question of using its levies. Without a collectively agreed political framework, the differences of opinion could not be resolved".
> (Ibid p107)

Anna Whyatt, co-founder of the Suma warehouse and an

activist in the FNWC has referred to the collective "ostrich attitude towards politics" which is characteristic of much of the alternative sector. (Whyatt 1981) This is probably not surprising in view of the quite disparate political beliefs of both founders and those attracted to the alternative co-operatives. Clarke has noted that they embrace a wide range of political allegiances including anarchist, syndicalist and radical feminist. (Clarke 1984) Broadly speaking, a whole range of "Utopian" and "Labour Movement" sympathies are represented within the alternative sector, but it is difficult, perhaps impossible, for it to act as a cohesive, united force.

This lack of coherent political direction is, as emphasised throughout this study, a traditional feature of British worker co-operation. In France and Italy, however, the development of strong, overtly political co-operative movements has encouraged a greater degree of unity and common purpose than in Britain.

Since the 1960s, a growing number of consortia have emerged in different market sectors in Italy. These act on behalf of a number of co-operatives and centralise such functions as purchasing and marketing. As a result, the competitive position of co-operatives in these sectors has been greatly enhanced and they often work together on shared contracts. In this way, co-operatives can bid for substantial contracts whilst retaining their organisational independence.

A great deal of inter-trading is arranged by the various consortia, resulting in a high level of vertical and horizontal integration of co-operative trading. Whenever possible, industrial co-operatives will purchase their parts from other co-operatives. The agricultural consortia have encouraged the development of food processing co-operatives using the produce of co-operative farms.

Thornley has noted the success of the Italian strategy:

> "without the new business structures and inter-co-operative trading, the individual co-operatives would be isolated and vulnerable against the highly organised multinationals. The co-operative movement is trying to strengthen production in areas of basic need like housing and food. This, it believes, will make a positive contribution to the economy, and increase political support for co-operation. But only by being self-sufficient in these sectors can co-operatives hope to compete with the private sector. This means that the industrial co-operatives must make everything needed for a new house, or hospital or school, and all the mechancial equipment needed by a farmer.
> Without a clear political perspective of their role in the economy and the labour movement, no such cohesion would be possible". (Ibid p162)

In the absence of this "clear political perspective" the British co-operative sector remains fragmented, although several CDAs have attempted to establish a central marketing function for groups of co-operatives trading in the same sector (NRCDA Annual Report 1985, SCDC Annual Report 1986). It is still too early to assess how

effective these efforts have been, but it is interesting to note that hopes to develop a collective marketing strategy for three cut-make and trim (CMT) clothing co-operatives in Tyne and Wear were dashed when two of the three firms went into liquidation before the strategy was developed, suggesting that the initiative was reacting to existing difficulties and came too late.

The Italian experience would suggest that federations or "consortia" are unlikely to emerge in Britain until co-operatives constitute a more cohesive, politically united force. Evidence from the FNWC would appear to support this, particularly since the alternative wholefoods sector is probably one of the most politically committed co-operative market sectors. This would seem to indicate that political commitment is not, in itself, sufficient: there must be political unity. In this respect, the attachment of the Italian co-operatives to one of three main political groupings is significant - the largest is the Lega which is closely allied with the Italian Communist Party (PCI).

It would appear reasonable to conclude that federations are unlikely to develop to any significant extent in the near future in Britain. A more plausible route through which co-operatives might strengthen their otherwise vulnerable position would be through a degree of market protection provided by state and local authority contracts. There is already some evidence in Britain that

supportive local authorities are prepared to consider co-operative tenders very favourably and the scope for custom in this field is enormous.

3 Market Protection through State and Local Authority Support

It has been argued that co-operatives should enjoy a degree of artificial insulation from the dictates of the market along the lines suggested by Luxemburg:

> "Producers co-operatives can survive within the capitalist economy only if they manage to suppress, by means of some detour, the capitalist contradiction between the mode of production and the mode of exchange. And they accomplish this only by removing themselves artificially from the laws of free competition".
> (Luxemburg 1970 p70)

In some countries such as France, the national and local state contribute towards this process by providing a degree of preference in the awarding of contracts. Whilst this practice has been criticised on the grounds that it is inefficient, supporters argue that the debate must be conducted within a wider social and economic context. If co-operatives are recognised as a socially desirable means of organising production, they deserve special support. (Bennett 1984 p25) Positions in this debate are largely determined by political complexion. Kenneth Clarke, during his time as Conservative Junior Minister with responsibilities for small firms, argued that co-operatives should be supported on condition that:

> "the workers who own the industry raise capital on the market and aim to produce a proper return on the capital,

> so long as they are subject to the same discipline as anyone else running an industry... we are certainly in favour of workers co-operatives so long as they can be viable without continued support from public funds".
> (Hansard 22/3/87)

This would clearly rule out any national State support for co-operatives under a Conservative government. It is at the local level that such initiatives have attracted attention in Britain.

The issue of the relationship between local authorities and co-operatives is not an easy one for the political left. Whilst the right would argue that co-operatives should compete on an equal basis with conventional firms, the left must decide whether co-operatives deserve any preferential treatment in the allocation of contracts, or whether such work should, where possible, be carried out by their own Direct Labour Organisations (DLOs). Those who argue in favour of the extension of local authority contracts to co-operatives often quote the example of the French building industry where this practice has been common since 1888. The Code de Marches Publics stipulates that the French local authorities can choose to reserve one quarter of all their building contracts for co-operatives by means of the "lot reserve". (Thornley 1980) This has undoubtedly contributed towards the growth and stability of the French co-operative building sector, providing a relatively stable source of custom. It is not uncommon, however, for co-operatives to be in competition with one another for these contracts in which case the

successful candidate is selected by ballot. This system, whilst beneficial to co-operatives, also allows the State to abdicate any longer-term commitment which would be required with a DLO. Thus, it could be argued that many French building co-operatives are in a situation not dissimilar to that of a British co-operative largely dependent upon the patronage of a single or very small number of customers, allowing the latter guaranteed continuity of production whilst they carry no responsibility for the co-operative as an organisation.

Many sympathetic Labour-controlled local authorities are displaying an interest in examining practical ways in which they could support co-operatives through trading with them, rather than just putting money into support agencies. However, the spectre of privatisation haunts the Labour Party's deliberations.

Liverpool's short-lived "co-operativised" cleaning service is an example which leaves many trade unionists suspicious of the unclear relationship between co-operatives and municipal services. The decision to privatise the city's cleansing service, then award the contract to an "in house" co-operative, was taken in 1983 by Liverpool City Council. Supported by the Alliance and Conservative groups on the council, the policy found few friends amongst the Labour group who attacked the decision as an attempt to enhance the image of privatisation. (Hannah and O'Toole 1984)

It has already been argued that the co-operative versus municipal debate is by no means resolved within the Labour Party, so the awarding of major contracts to co-operatives on any significant scale might be unlikely to materialise in the near future. Furthermore, the Conservative government's opposition to local authorities adopting political criteria in the awarding of contracts remains an obstacle. Ironically, however, contract compliance policies could actually undermine co-operatives' ability to tender for contracts because they stipulate that contracts will only be awarded to firms which conform to certain basic standards in areas such as wages and union recognition. Although there has to date been no systematic study of these within co-operatives, there is a widely-held suspicion that many do not have an impressive record on members wages and conditions (Jefferis 1986). In circumstances where this is indeed the case, local authorities would have to exclude them from their authorised lists because of their inability to conform with contract compliance criteria.

Finally, it must be concluded that a degree of market protection which is tied in with the performance of conventional firms is unlikely to allow co-operatives to make a significant break with traditional ways of working. French building co-operatives do not necessarily find the contracts awarded under the Code de Marches Public financially viable, let alone lucrative.

Bibliography

Abercrombie N Hill S and Turner B (1988) The Penguin Dictionary of Sociology

Almond G and Verba S (1972) The Civic Culture Revisited: Analytic Study Little Brown Boston

Aston B (1980) The New Workers' Co-operatives: a survey M.A. Dissertation University of Warwick September

Atkinson J (1984) Manpower Strategies for Flexible Organisations Personnel Management August

Bailey J (1955) The British Co-operative Movement Hutchinson 1985

Bate P and Carter N (1986) The Producers Co-operative; its status and potential as an alternative form of organisation Industrial Relations Journal 17 (1)

Batstone E (1983) Organisation and Orientation: a life-cycle model of French co-operatives Economic and Industrial Democracy 1

Beecher J and Bienvenu R (1983) The Utopian Vision of Charles Fourier University of Missouri Press Columbia

Bennett J (1984) Producer Co-operatives: A Case for Market Protection? Discussion Paper 11, Centre for Research in Industrial Democracy and Participation University of Glasgow Glasgow

Berry J and Roberts M (1984) Co-op Management and Employment ICOM

Blauner R (1964) Alienation and Freedom: the Factory Worker and his Industry Chicago University Press Chicago

Bonner A (1970) British Co-operation Co-operative Union Manchester

Booth D E (1985) The problems of corporate bureaucracy and the producer co-operative as an alternative Review of Social Economy 43 part 3

Bradley K and Gelb A (1983) Worker Capitalism: the New Industrial Relations Heinemann London

Bradley K and Gelb A (1987) Co-operative Labour Relations: Mondragon's response to recession British Journal of Industrial Relations XXV (1)

Brandow K and McDonnell J (1981) No Bosses Here! New Society Publishers Boston

Carter N (1987) Control, Consciousness and Change: the study of the development processes of a worker co-operative Ph.D. thesis Bath University

Clarke T (1984) Alternative modes of co-operative production Economic and Industrial Democracy 5

Coates K (ed) (1976) The New Worker Co-operatives Spkesman Nottingham

Coates K and Topham T (1974) The New Unionism Penguin Harmondsworth

Cockerton P and Whyatt A (1984) The Worker Co-operative Handbook ICOM London

Cole GDH (1944) A Century of Co-operation Co-operative Union Manchester

Cole GDH (1972) Self-government in industry Hutchinson London (Original 1917)

Cornforth C (1983) Some factors affecting the success or failure of worker co-operatives: a review of empirical research in the United Kingdom Economic and Industrial Democracy 4

Cornforth C (1984) The Role of CDAs in promoting worker co-operatives National Small Firms Policy and Research Conference Paper Nottingham

Cornforth C and Lewis J (1985) The Role and Impact of Local Co-operative Support Organisations Paper given at Beechwood College Leeds April

Cornforth C and Stott M (1984) A Co-operative Approach to Local Economic Development Open University Co-operatives Research Unit Monograph no. 5

Cornforth C, Thomas A, Lewis J and Spear R (1988) Developing Successful Worker Co-operatives Sage

Coventry Co-operative Development Agency Annual Report 1985

Devine P (1974) An Introduction to Industrial Economics Allen and Unwin London

Dex S (1985) The Sexual Division of Work: conceptual revolutions in the social science Wheatsheaf

Earle J (1986) The Italian Co-operative Movement Allen and Unwin London

Eccles T (1981) Under New Management Pan London

Ehrenreich R and Edelstein J (1983) Consumers and Organisational Democracy: American new wave co-operatives in Crouch and Heller (eds) Organisational Democracy and Political Processes John Wiley New York

Eichar D and Thomson J (1986) Alienation, Occupational Self-direction and worker consciousness: an exploration Work and Occupations 13 (1)

Elden J (1981) Political Efficacy at Work American Political Science Review 75

Ellerman D (1984) Workers Co-operatives: the question of legal structure in Jackall R and Levin H (eds) Worker Co-operatives in America University of California Press London

Emerson T (1982) The Story of Neighbourhood Textiles Open University Co-operatives Research Unit Case Study no. 3

European Communities Commission document (1984) Programme of Research and Actions on the Development of the Labour Market: Forms of organisation, type of employment, working conditions and industrial relations in co-operatives, collectives and other self-managing structures of the EEC. Stern E (co-ordinator) Mutual Aid Centre Luxemburg

European Communities Economic and Social Committee (nd) The Co-operative, Mutual and non-profit Sector and its Organisations in the European Community. Luxemburg

Fairclough M (1986) Conditional Degeneration and Producer Co-operatives: A Reappraisal of the Socialist Traditions. The Webbs Revenge Paper presented to the National Conference for Research on Worker Co-operatives London October

Fitzroy F (1980) Notes on the political economy of a co-operative enterprise sector in Clayre A (ed) The Political Economy of Co-operation and Participation. Oxford University Press Oxford

Fox A (1974) Beyond Contract Faber and Faber London

Gamson A and Levin H (1984) Obstacles to the survival of democratic workplaces in Jackall R and Levin H (eds) Worker Co-operatives in America University of California Press London

Goode W and Hatt P (1952) Methods in Social Research McGraw

Greater London Enterprise Board (nd) A Strategy for Co-operation Worker Co-ops in London GLEB London

Greenberg E (1981) Industrial Self-management and Political Attitudes American Political Science Review 75

Greenberg E (1983) Context and Co-operation: Systematic variations in the Political Effects of Workplace Democracy Economic and Industrial Democracy 4

Hannah J Mellor M and Stirling J (1986) Worker co-operatives and the labour process International Journal of Sociology and Social Policy 6 (2)

Hannah J and O'Toole M (1984) Worker Co-operatives and Privatisation Co-operation summer

Holyoake G (1875) History of Co-operation Vols 1 & 2 Fisher Unwin London

Industrial Common Ownership Movement (1974) This is ICOM

Industrial Common Ownership Movement (1983) The Co-operative Way ICOM Leeds

Industrial Common Ownership Movement (1986) Annual Report ICOM Leeds

Industrial Common Ownership Fund PLC (1987) Prospectus Offer for Subscriptions of 500,000 of Co-operative Shares

Jackall R and Levin H (eds) (1984) Worker Co-operatives in America University of California Press London

Jay P (1980) The workers co-operative economy in Clayre A (ed) The Political Economy of Co-operation and Participation Oxford University Press Oxford

Jefferis K (1986) Worker Co-operatives in Britain New Co-operator ICOM

Jefferis K and Thomas A (1985) Worker Co-operatives in the Clothing and Textile Industries: an interim report (unpublished)

Jones B (1894) Co-operative Production Clarendon Press Oxford

Jones DC (1975) British producer co-operatives and the view of the Webbs on participation and the ability to survive Annals of Public and Co-operative Economy 46 (1)

Jordan J (1986) A System of Interdependent Firms as a Development Strategy In Jansson S and Hellmark A (eds) Labour-owned Firms and Workers Co-operatives Gower London

Kelso L and Adler M (1958) The Capitalist Manifesto Randon House New York

Kohn M and Schooler C (nd) Occupational Experience and Psychological Functioning American Sociological Review 38

Labour Party (1980) Worker Co-operatives Labour Party discussion Document

Labour Party (1985) Labour's Charter for Co-ops Labour Party

Levin H (1984) ESOPs and the Financing of Worker Co-operatives In Jackall R and Levin H (eds) Worker Co-operatives in America University of California Press London

Liberal Party (1985) Industrial Democracy Policy Briefing April Liberal Party

Lightfoot C and Roberts J (1987) New Horizons for Small Companies Employment Gazette October

Lockett M (1980) Democracy, Participation and satisfaction: some implications of workers' co-operatives for industrial sociology and organizational theory Economic Analysis and Workers' Management

Lord S (1986) The Effectiveness of Co-operative Development Agencies Self-published

Littler C and Salaman G (1984) Class at Work Batsford London

Luxemburg R (1970) Rosa Luxemburg Speaks Pathfinder Press New York

McFarlane R (1986) Councils Support Co-ops Centre for Local Economic Strategies Manchester

McMonnies D (1985) The Scott-Bader synthetic resins saga Employee relations 7 (2)

Mandel E (1975) Self-management - dangers and possibilities International 2 (4)

Marx K (1975) Early Writings Penguin Harmondsworth

Marx K (1985) Statements to the International Working Men's Association In GLC Economic Policy Group Working Together Pack no. 5

Mellor M (1980) Motivation, Recruitment and Ideology: A Case Study of the Co-operative Movement in North East England Ph.D. thesis University of Newcastle

Mellor M Stirling J and Hannah J (1986) Worker Co-operatives: A Dream with Jagged Edges Local Economy 1 (3)

Mellor M Stirling J and Hannah J (1987) Who's in Control? Job Creation Co-operatives in a Capitalist Economy Journal of Interdisciplinary Economics 1

Mayntz R (1969) in Geiger T On Social Order and Mass Society University of Chicago Press

Mellor M Hannah J and Stirling J Worker Co-operatives in Theory and Practice Open University Press 1988

Mies M (1985) Patriarchy and Accumulation on a World Stage Zed books

Milbraith L (1965) Political Participation: how and why do people get involved in politics? Rand McNally and Co. Chicago

Milford P (1986) Worker Co-operatives and Consumer Co-operatives in Jansson S and Hellmark A (eds) Labour-owned Firms and Worker Co-operatives Gower London

National Front (1986) Nationalism Today 37

Northern Region Co-operatives Development Association (1985) Annual Report

Oakeshott R (1978) The Case for Workers Co-ops Routledge and Kegan Paul London

Oakley A (1981) Subject Women Martin Robinson Oxford

O'Brien M (1981) The Politics of Reproduction Routledge and Kegan Paul London

Oliver N (1984) An examination of organisational commitment in six worker co-operatives in Scotland Human Relations Journal 37 (1)

Oliver N (1986) Commitment in Producer Co-operatives: A Perspective from the Social Psychology or Organisations Ph.D. thesis Open University Milton Keynes

Owen R (1970) Report to the County of Lanark Penguin Harmondsworth

Pateman C (1970) Participation and Democratic Theory Cambridge University Press Cambridge

Paton R (1978) Some Problems of Co-operative Organisation Open University Co-operatives Research Unit Monograph no. 3 Milton Keynes

Paton R with Lockett M (1978) Fairblow Dynamics Monograph no. 2 Milton Keynes Co-operatives Research Unit

Phillips A (1987) Divided Loyalties: Dilemmas of Sex and Class Virago

Pollert A (1981) Girls, Wives, Factory Lives MacMillan

Potter B (1891) The Co-operative Movement in Britain Swann Sonnenschein London

Rainnie (1985) Small Firms, Big Problems: the Political Economy of Small Business Capital and Class 25

Report of the Working Group on a Co-operative Development Agency (1977) Cmnd 6972 HMSO London

Sedgemore B (1980) The Secret Constitution: an analysis of the political establishment Hodder and Stoughton

Scottish Co-operatives Development Committee (nd) Taking the Heat Off the Boss SCDC Glasgow

Scottish Co-operatives Development Committee (1986) Annual Report SCDC Glasgow

Schutt J and Whittington R (1987) Fragmentation strategies and the rise of small units Regional Studies 21

Siltanen J and Stanworth M (1984) Women and the Public Sphere: a critique of Sociology and Politics Hutchinson

Social Democratic Party (nd) Industrial Relations (Industrial Democracy) Policy Document No. 4 SDP

Spear R and Thomas A (1986) Can Workers in Co-operatives Control their own jobs? Labour Process Conference Manchester University

Stirling J Mellor M and Hannah J (1987) Managing Co-operatively Employee Relations 9 (2)

Taylor A (1986) Worker Co-operatives and the Social Economy ICOM Leeds

Thomas A (1986) Survival Rates of Worker Co-operatives in the UK since 1976 Paper presented to the National Conference for Research on Worker Co-operatives October

Thompson P (1983) The Nature of Work McMillan London

Thornley J (1981) Workers Co-operatives Heinemann London

Tomlinson J (1980) The Politics of Worker Co-operatives Capital and Class 12

Tomlinson J (1982) The Unequal Struggle Methuen London

Trades Union Congress (1985) Statement and Guidelines on Worker Co-operatives TUC London

Tynan E (nd) Little Women case study no. 1 Co-operatives Research Unit Open University Milton Keynes

Tynan E (1980) Sunderlandia Co-operatives Research Unit Open University Case study no. 3 Milton Keynes

Union of Consumer Co-operatives in the GDT (nd) The Classics of Marxist Leninism on the Co-operative Movement Berlin

Vanek J (1980) Yugoslavia as the pathbreaker for the global society Economic Analysis and Workers Management 4 (XIV)

Wajcman J (1983) Women in Control Open University Press Milton Keynes

Wales TUC (1981) Co-operation and Job Creation in Wales: A Feasibility Study Wales TUC Cardiff

Watkins D (1978) Industrial Common Ownership Fabian Society London

Watkins W (nd) The International Co-operative Movement Co-operative Union Manchester

Webb S and Webb B (1914) Co-operative production and profit sharing Special supplement to the New Statesman 2 (45)

Webster J (1984) Experiences in a Workers Co-operative Industrial Participation summer

Wright DH Co-operatives and Community Bedford Square Press London

Young M and Rigge M (1983) Revolution from Within Widenfield and Nicholson London

Appendix 1

Research Methodology

Introduction

It was clear from the outset that a study probing changes in participants' attitudes and behaviour would need to be conducted over a period of time. Two years fieldwork was considered an appropriate length of time to gather data, leaving the initial six months of the three-year project free for background research and a pilot study and the final six months for writing up.

During the initial six months, I read and consulted researchers who had conducted similar studies. Clearly, my proposed research was of a "qualitative" nature, although a degree of "quantitative" information would necessarily be gathered. The latter would encompass facts and figures relating to the co-operative as a commercial enterprise and participants' details such as age, qualifications and previous employment history.

The bulk of the information I sought, however, related to developments in people's attitudes, opinions and behaviour. Gathering such subjective data is notoriously fraught with difficulties and a great deal of consideration must be applied to the selection of an appropriate method.

Selecting a Methodology: Some Lessons from Feminist Research

I knew from the outset that the vast majority of participants would be women and this provided an opportunity to record their own story of if and how their lives were changing through the experience of worker co-operation. This prospect both excited and troubled me. Maria Mies has referred to "women's perception of their own situation" as traditionally "invisible" in sociological research. As a woman researcher, I was grateful for the opportunity to conduct research which explored the "invisible" areas of women's lives. At the same time, however, I was troubled by the potential accusation that I might not be value-free because of my own sense of identification with the women. After consulting the literature of other feminist researchers, however, what I initially identified as a potential problem was soon transformed into an advantage. In the words of Maria Mies:

> "The methodological principle of a value-free, neutral, uninvolved approach, of an hierarchical, non-reciprocal relationship between research subject and research object - certainly the decisive methodological postulate of positivist social science research - drives women scholars into a schizophrenic situation. If they try to follow this postulate, they have constantly to repress, negate or ignore their own experience of sexist oppression and have to strive to live up to the so-called "rational" standards of a highly competitive, male dominated academic world".
> (Mies 1983 pp120-121)

Mies goes on to suggest that the postulate of value

free research should be replaced by conscious partiality. This refers to the situation in which the researcher/subject recognises her partial identification with the researched/object. It contrasts with the so-called "spectator-knowledge" method in which the research subject is expected to show an indifferent, disinterested and alienated attitude towards the "research objects". (ibid p122) Conscious partiality reduces the degree of distortion of perception by both researcher and researched. This has a vital role to play in ensuring that the data gathered reflects genuine experience.

Feminist critics have criticised the de-personalised, hierarchical notion of allegedly bias-free research as both immoral and internally inconsistent. (Oakley 1981, Mies 1983) It is immoral because of the manner in which it seeks to manipulate and patronise. It is internally inconsistent because it does this in pursuit of allegedly "bias-free" information. The latter is probably impossible to achieve anyway because of participants' own socialisation. A hierarchical research situation, in the words of Mies:

> "Defeats the very purpose of research: it creates an acute distrust in the research objects who feel that they are being interrogated. This distrust can be found when women and other under-priveleged groups are being interviewed by members of a socially higher stratum. It has been observed that the data thus gathered often reflect "expected behaviour rather than real behaviour". (Mies Op Cit p123)

To summarise: having come to terms with the apparent impossibility of a completely value-free methodological approach, I soon recognised my own inherent bias (as a woman and an ex co-operative worker) as a positive rather than negative factor. It was a question of recognising that bias and trying to use it constructively. With the benefit of hindsight, I now believe that the fact that I was a female ex co-operator contributed positively towards the quality of information gained during interviews. Participants assumed that I could identify with their own experiences, reducing the "subject/object" hierarchy and provoking honest responses.

Methodological Options - Participant Observation

At this early stage, I was aware of only one other study in which a reseacher had attempted to evaluate the impact of co-operative working upon participants' self-development and political consciousness. Wacjman's method was therefore scrutinised as a model to follow. Her choice of participant observation was, however, conceived in circumstances quite contrary to that of most researchers at the outset of a project. She was already committed to working in the co-operative when she decided to conduct the research. Participant observation was therefore a necessary rather than selected method. Wacjman nevertheless believed that the method was a good one because she witnessed participants at first hand and could monitor both verbal and non-verbal communication

within the workplace.

Wacjman also conducted interviews with participants outside the workplace in which she sought more detailed evidence of developments in participants' opinions, attitudes and behaviour. Reading her analysis, I became convinced that, rather than enhancing her rapport with the interviewee, her presence within the workplace detracted from it. My own experience of working in a co-operative had taught me that cliques, rivalries and tensions easily develop and it is difficult for a co-operative worker to remain aloof from this. Fakenham, the co-operative in which Wacjman's study was based, had not escaped this phenomenon. As a result of Wacjman's close working relationship with one particularly unpopular clique - that which was identified as substitute management - she was handicapped in her attempts to be accepted as a "neutral" observer.

In recogniiton of this danger, I decided not to adopt participant observation for my own research. Whilst it would have been useful in charting group dynamics and internal routine decision-making, the inevitability of my being caught up in the complex web of internal relationships appeared to outweigh the potential benefits. In addition, as Wacjman herself found, there are practical problems associated with imposing yourself, without the relevant skills, upon a small workplace such as a textile factory or building co-opertive. Even routine unskilled

duties like sweeping the floor or making the tea could be quite disruptive to the co-operative if strictly-enforced rotas already exist for these jobs.

As a qualified shorthand typist, I would at least have had a marketable skill to offer a co-operative in return for conducting a study there. This would, however, have confined me to "the office", clearly restricting my awareness of events outside. Equally important, however, would have been the danger of my presence in the office fostering my identity with "office" rather than "productive" workers. As the evidence from this study reinforces, this is often a powerful and resented distinction within co-operatives.

Having considered the case for participant observation, I decided that it was not the best possible form of data collection for my research. Postal questionnaires were clearly too impersonal for a study encompassing issues of such complexity and sensitivity, some method of personal, face-to-face contact was essential. Thus I began to explore the applicability of different types of interview.

Methodological Options - the Interview

Mayntz et al have noted the popularity of the interview as a method in sociological research and argue that:

> "for ascertaining subjective situations which can be expressed verbally it is the most appropriate". (p119)

The interview certainly seemed appropriate given the nature of the information I sought. A combination of both

closed and open-ended questions would need to be asked and I therefore began to develop a semi-structured questionnaire for use in the interviews.

In view of the need to monitor changes over time, it was essential that not one, but a series of interviews be conducted with participants. It was therefore decided that the "panel" interview was appropriate - a total of three would be held at eight month intervals. If the co-operative did not survive, members would still be followed up after closure. This was important in view of the fact that it was the impact of the experience of working in the co-operative which was being monitored - not the commercial performance of the co-operative itself. Members who left the co-operative, as well as those who later joined, would need to be interviewed.

By December 1984, I had identified six co-operatives recently registered or in the process of registration. They varied in size from three to sixteen members and, initially, it was my intention to include all six in the research. After lengthy discussions with my supervisers and other researchers engaged in qualitative research, I concluded that six co-operatives employing approximately fifty people was unrealistically ambitious. A total of four co-operatives was considered manageable bearing in mind my intention to interview every participant in each at regular intervals over a two-year period, even if they left the co-operative during that time.

The conduct of interviews in general throws the contrast between the two approaches of "spectator-knowledge" and "conscious partiality" into stark relief. According to the "spectator-knowledge" approach, both interviewer and interviewee become de-personalised: interviewers simply ask questions which interviewees passively answer. Neutrality is considered crucial: the interviewer must not provide any indication of their own feelings to ensure that "bias" does not occur. The flow must remain unidirectional: interviewees must not ask questions or seek opinions of the interviewer. Advice from the textbooks on interviewing suggest deflection:

> "Suppose the interviewee does answer the question but then asks for the opinions of the interviewer. Should (he) give (his) honest opinion, or an opinion which (he) thinks the interviewee wants? In most cases, the rule remains that (he) is there to obtain information and to focus on the respondent, not (him)self. Usually a few simple phrases will shift the emphasis back to the respondent ..... In short, the interviewer must avoid the temptation to express (his) own views, even if given the opportunity".
> (Goode and Hart 1952 p198)

As stated earlier, I soon came to terms with my own inherent bias which I sought to turn into an advantage. I always informed respondents of my own background and objectives in conducting the research. Participants did sometimes ask my opinion, but never during interviews, only after they were completed. When this happened, I

tried to give honest answers, but this was made easier by the fact that the topic tended to be my ex-workplace. Participants were keen to know about the co-operative in which I used to work: its size, how it was organised and the problems and successes it experienced. Only rarely was I asked for my opinion on events within the co-operatives being studied.

The Pilot Study

I decided to use the other two co-operatives in a short pilot study designed to develop the semi-structured questionnaire and give myself experience in interviewing. Interviews were based on a short pilot questionnaire and, where possible, conducted outside the workplace in people's own homes.

The pilot was a very useful learning experience and produced some valuable lessons, particularly in the following areas:

-interview location
-recording of interviews
-structure and content of the questionnaire

Interview Location

The majority of the pilot interviews were conducted in interviewees' homes, but in a few cases this was impractical and were held instead at the polytechnic or workplace. It is difficult to exaggerate the contrast between the ambience and suitability of the two locations of workplace and home. Only one interview was conducted at the polytechnic which proved quite satisfactory, but

impractical in view of the need to attend during normal working hours. The main contrasts between workplace and home were as follows:

Figure 6: Comparison of Interviews

	Workplace	Home
Length of Interview	Average half hour	Average one hour
Frequency of Interruption	Regular	Occasional - background noise
Relaxation	Poor - guilt of interviewee at "skiving"	Good
Interviewees' willingness to "open up"	Poor - wary of being overheard	Good

Undoubtedly, the benefits of interviewing pilot participants in their own homes unreservedly commended its adoption in the research.

Recording the Interviews

Initially, I adopted the use of recording equipment to tape each pilot interview almost without question - it seemed the "obvious" method to use. I quickly learned, however, that participants were very uneasy about the interviews being taped. Partly, this was explained by their lack of familiarity with being taped, but more significant reasons emerged. Interviewees were being asked to reveal sensitive information and opinions, often

relating to workmates. Although confidentiality was strictly assured, the presence of a tape recorder consistently reminded people that their voices were being recorded in material form. Despite reassurances, participants remained wary that, somehow, others might hear the tapes.

On several occasions, I was asked to switch off the tape before a piece of information was revealed. On others, a rush of sensitive information was delivered after the tape had been switched off and I considered the interview over.

Participants assured me that it was not the nature of the information as such which was confidential - they just didn't want to be known as the person who had given it. Largely, this involved questions about other members' attitudes and behaviour in the co-oeprative.

At first I found it difficult to really appreciate the strength of these fears. Later, however, during the major research programme, I began to understand better the forces behind these reservations. As tensions in each co-operative mounted, people had a real desire to "get things off their chest" by speaking to a sympathetic outsider, but they still wanted absolute assurances that they could later deny any printed statement which others might attribute to them.

Morally and ethically, I could never have justified concealing the fact that I was taping the interviews and was therefore faced with the task of selecting another

means of recording the interviews.

Fortunately, I was a competent shorthand writer and I began to consider taking shorthand notes instead of taping. I tested this in two of the pilot interviews and found that, contrary to my initial reservations, it worked well. I had suspected that people would react badly to my note-taking and have similar reservations about total honesty. Interviewees did not, however, object to my constant scribbling and appeared not to be holding back.

When I later probed pilot participants about their reaction to my shorthand-taking, they identified two perceived benefits in comparison with taping:

-because I was writing, I wasn't "staring at them" all the time and this made them feel less awkward. Instead, I looked up occasionally and made supportive noises and nods which they found less intimidating

-they knew that their voices could not be recorded by pen and paper - there was no ultimate means by which their statements could be traced back

Participants were very keen that their story be told, but they didn't want to be personally identified as the author.

The Content and Structure of the Questionnaire

Each pilot interview commenced with questions about fact before sliding into questions about opinion. Respondents therefore had some time to develop ease and confidence replying to questions about their background before moving on to more thought-provoking and

occasionally sensitive issues.

The nature of the subject matter of the research clearly demanded a high degree of consistency in the questions asked of each participant, whilst allowing them the freedom to digress or expand as they felt appropriate. Hence, as mentioned above, the adoption of a semi-structured questionnaire with a combination of closed and open-ended questions.

I learned a great deal about the importance of continuity and the art of being flexible during the pilot interviews. Although I had developed a sample questionnaire with defined "sections", I began to appreciate the importance of raising issues where they appeared to be a logical "follow-on" arising from a point made by the respondent. Thus if the latter mentioned trade union membership or activity when outlining their previous work history, I would take the opportunity to ask about their current membership and wider attitudes. Clearly, this then had implications for the "continuity" of that section, but I found it easier to return to questions of fact than raise questions of opinion, particularly political opinion, as a distinct section in its own right.

The pilot reinforced in practice the theoretical applicability of the semi-structured questionnaire as the basis of the interview. I subsequently amended and expanded the original to a six-section questionnaire

encompassing the following:

1. Background information: education and employment
2. Involvement in the co-operative
3. Political identification
4. Class identification
5. Gender attitudes
6. Attitudes concerning human nature

The full text of the questions can be found in appendix B. Here I will explain the rationale behind each section.

The Questionnaire

Section One - Background Information:

This section sought to establish the age, educational and work histories and other personal circumstances of respondents. In addition to the printed questions, I noted other details such as home ownership when I arrived at houses to conduct interviews. Providing a comfortable "lead in" to more subjective issues, this was the most straightforward section of the questionnaire and, as mentioned above, I occasionally pursued other issues when an opportune moment arose.

Section Two: Involvement in the Co-operative:

Encompassing a wide range of issues relating to the experience of working in the co-operative, this was the largest section. It sought to establish the reasons and mechanics behind participants' initial involvement and their subsequent experience in the following areas:

-Likes/dislikes about co-operative working in comparison with other workplaces

-The nature of the job/jobs performed
-Participation in decision-making and co-operative affairs
-Participants' internal co-operative consciousness - what constitutes "good" co-operative behaviour?

Overall, this section was fundamental to gauging developments in participants' feelings of personal efficacy as a result of their experiences within the co-operative. Through time, however, it became obvious that it was providing very interesting information on the nature of the labour process in the co-operatives. Initially undervalued, this subsequently proved a significant causal factor facilitating participants' self-development.

Section Three - Political Identification:

The extent to which participants were politically committed or active at the beginning of the study and how and why this changed over time was monitored through this section. In which political direction, if any, was participation in a co-operative leading people, and why? In addition, participants' external co-operative consciousness i.e. the extent to which they identified co-operatives with a wider political significance was also explored. Given the conflicting political ideologies which claim worker co-operatives as their natural constituent, this was an interesting and important topic to explore.

Section Four - Class Identification:

Following on from issues of party political identification and support, this section sought to establish participants' perceptions of their class position and its relevance to their status and opportunities in society as a whole. In responding to these questions, participants revealed the extent to which their involvement in a co-operative altered their perception of class and their position within it. Again, this was particularly relevant in view of the worker capitalist versus labour movement debates relating to the significance of co-operative development. These debates had largely been conducted at an abstract level with very little empirical evidence to support either school of thought.

Section Five - Gender Attitudes

Co-operative working is often chosen by those who seek to break down traditional gender stereotypes in employment. Non-hierarchical structures and opportunities for job rotation present possibilities for advancement in this cause. The extent to which these opportunities are both acted upon and influential in changing wider atttitudes amongst job creation co-operatives remained unexplored. It is obvious that co-operators with a developed feminist consciousness will choose to take advantage of these opportunities for breaking down traditional stereotypes. To what extent this process will

be identified as either desirable or important by groups lacking a strong feminist consciousness remains questionable.

This section therefore sought to establish what impact, if any, the co-operative had upon participants' attitudes towards gender roles. To what extent were both sexes participating in "non-traditional" roles within the co-operative, why and with what result?

Section Six - Human Nature

Questions specifically aimed at drawing out ideas about "human nature" did not feature in the pilot interviews. During discussions about the practicability of co-operative working and the prospects for wider social change, however, the issue repeatedly emerged as either a positive or negative factor. Pronouncements on the essence of "human nature" were often the bottom line in determining whether people believed in the potential for widespread worker co-operation and the more equitable distribution of power and wealth which might accompany it.

Participants actual experience in a purportedly egalitarian situation might serve to challenge or reinforce their existing beliefs. This final section was therefore designed to establish and monitor these positions and their justification.

Conducting the Interviews: A Personal Note

I feel that it is appropriate, indeed important, that I record some personal feelings and experiences in conducting the interviews. It is one thing to debate the pros and cons of various methodological approaches to gathering qualitative information in the relative security of the academic environment. It is quite another to try to apply these in practice in an environment unfamiliar with the rationale and practice of academic research.

From the outset, I felt obliged to be honest with participants about the objectives of the research. Although nobody was hostile or unwilling to participate as a result, some people were clearly unconvinced about its "relevance" to their own situation. Nevertheless, they participated and in so doing many found the interviews a form of therapy - of off-loading their feelings and frustrations about co-operatives and their lives in general to a sympathetic outsider.

Undoubtedly, my credibility was enhanced by the fact that I could claim recent membership of a worker co-operative. Even if the rationale behind my research was not immediately obvious, my previous co-operative experience seemed to convince people that I would at least have some knowledge of their situation. Perhaps I was being over-sensitive, but I initially felt that this was a vitally important factor in winning participants' collaboration and confidence. Otherwise, their perception

of my motivation in studying them and their co-operatives might have been different. I detected a general attitude towards academics which was at the same time subservient and dismissive: although they were considered "very clever people", they were out of touch with the "real world".

Serial no. .....

APPENDIX 2

WORKER CO-OPERATIVES
QUESTIONNAIRE

Interview number .....

Name of Interviewee .....

Name of co-operative .....

Date of interview .....

Notes: -

Janet Hannah, Faculty of Community and Social Studies,
Newcastle Polytechnic. June 1984

No. .....

Section 1

1. Name

2. Date of birth

3. How old were you when you left school?
What kind of school was that?

Did you have any qualifications when you left school?

4. Did you have any full or part time education after that? (if yes)

what was that?

5. Have you worked at all elsewhere before this present job?

Where?

Doing what?

How long?

Did you enjoy it?

What did you like about it most?

What did you like least?

Why did you leave?

6. Have you ever been unemployed?

When?

How long?

Has any of your family ever been unemployed?

7. Are you married?

8. Does your husband/wife work?

No. .....

Section 2

1. How did you become involved in the co-operative?

2. Did you know anything about worker co-operatives before you started work here?

3. How do your family and friends feel about you working in a co-operative?

4. Would you say that, since you joined the co-operative, you have changed in any way?

5. What sort of person would you describe yourself as?

6. Do you notice changes in any other members since they started?

No. .....

7. What sort of person would you say gets on best in a co-operative?

8. Do you think that anybody could work in a co-operative?

9. Do you think that working in the co-operative has given you any opportunities you might not otherwise have had?

10. What do you like best about working here?

11. What do you like least about working here?

12. Do you think that you have had to give up anything since you joined the co-op?

No. .....

13. Have you had to make any special domestic arrangements for

a) children

b) housework

c) shopping

14. Would you consider yourself an active member of the co-op? (show card)

not active
fairly active
active
very active
don't know

why do you say this?

15. What jobs do you do in the co-operative? (main and other)

16. Would you be willing to tackle any of the other jobs? Which or why not?

17. Do you think there are differences between working in a co-op and working in a private firm?

What?

Why do you say this?

18. If you had a free choice, which of the following would you prefer to do? (show card)

work in a co-operative
work in an ordinary business
work in the public sector
work in a nationalised industry
not work at all
other (specify)

No, ...

19. Do you enjoy your work here as a (----) more than in the other places you have worked (if applicable, see section 1 q.5)

Why/Why not?

20. Do you feel that, as an individual, you have influence over the way (-----) is run or not? Would you say you had (show card)

A great deal of influence
a moderate amount of influence
very little influence
no influence at all
don't know

What makes you say that?

21. How often do you offer your own opinion at meetings? (show card)

Very often
fairly often
very little
not at all

22. Do you find it easy to speak at meetings? (show card)

Very easy
fairly easy
not very easy/fairly difficult
not at all easy/very difficult

23. Do you find it any more or less easy than when you first started here?

More easy
less easy
no different
don't know

In what ways?

Why do you think this has happened?

No. .....

24. Does anybody in particular tend to have more influence at your meetings?

Why do you think this happens?

Is this a good thing?

Is it inevitable?

25. If you objected to a decision taken by the co-operative or you wished to make a suggestion about anything, would you (show card)

not bother to do anything about it
tell somebody else and hope they would raise it (who? why?)
tell people individually
raise it at a meeting
other (specify)
don't know

26 When you joined, did you understand the "business side" of the co-op? (show card)

very well
quite well
not very well
not at all
other (specify)
don't know

27. Do you feel that you understand how business works any better since you started here? (show card)

much better
a little better
no change
don't know
other

What have you learned?

Who did you learn from?

No. .....

28. Do any members of the co-op seem to understand how business workd?

Who?

What jobs do they do?

29. Would you say that, given adequate information and training (show card)

most people could learn about running a business
business is too complicated for most people
other
don't know

what makes you say this?

30. Would you say that you were confident about the co-op's future as a successful business (show card)

very confident
fairly confident
not very confident
not at all confident
don't know

what makes you say this?

31. Would you say that you were confident about members future ability to collectively control the co-operative? (show card)

very confident
fairly confident
not very confident
not at all confident
don't know

what makes you say this?

32. How are decisions taken at your meetings?

33. How is the Agenda drawn up?

34. How are any new or extra tasks allocated within the co-operative?

No. .....

35. How are new members selected? (or - how would you select new members?)

Who would be involved?

36. Do you feel that there are certain people or groups who have a lot of influence over the way the co-op is run or not?

Who?

In what ways?

37. If the co-op was split down the middle trying to reach an important decision, would you seek an outside opinion?

Whose?

Why?

38. If you were stuck with a business problem, who would you ask for help?

Why?

39. Has any outsider in particular been very helpful to your co-op?

In what ways?

40. Do you think there is any other expert help that you need?

41. Who chairs your meetings?

42. Who takes the minutes?

43. How long do they usually last?

44. How often do you hold co-op meetings?

No. .....

SECTION 3

1. Would you say that you were interested in politics? (show card)

Very interested
fairly interested
not very interested
not at all interested

2. Are you involved in any of the following organisations? (show card)

Trade Union
Political party
tenants association
other (specify)

(if yes)
are you

very active
fairly active
not very active
not at all active

b) Do you attend meetings/hold office at all

regularly
fairly regularly
not very regularly
not at all

(if no) Have you ever been involved in any of these organisations in the past?

3. Are or were any of your immediate family interested or active in any of these organisations or any other?

4. Are you a member of a co-operative organisation?
(if yes) Are you

very active
fairly active
not very active
not at all active

How often do you attend meetings?

Do you (have you ever?) hold office at all?

5. Do you associate worker co-operatives with any particular party or grouping?

Why?

7. Do you usually vote in elections?

8. Do you particularly support any political party?

9. Did you vote in the last General Election?

10. Can you remember how you voted in the last General Election?
Why?

11. If a General Election was called tomorrow, would you vote?

How do you think you would vote?

12. How much do you think people like yourself can influence what goes on in your local community?

(if quite a bit) in what ways can you exert influence?

(if not much) Who dc you tthink does have influence?

13. How much do you think people like yourself can influence what goes on in national government?
(if quite a bit) in what ways can you exert influence?

No. .....

14. I see that you are/are not a member of a Trade Union. Do you think there is a role for Trade Unions in co-ops? What do you think it is?

Why do you say this?

SECTION 4

1. Most people say that they belong either to the middle class or to the working class. Do you ever think of yourself as being in one of these classes?

Which class is that?

(if they say they don't identify with either) If you had to make a choice would you call yourself middle or working class?

2. What would you say your family were when you were young? Middle class or working class?

3. Some people feel that they have a lot in common with other people of their own class but others don't feel this way so much. How about you? Would you say that you feel pretty close to other (---) people or that you don't feel much closer to them than to people in other classes.

yes
no
don't know

4. On the whole, do you think there is bound to be some conflict between different social classes or do you think they can get along together without any conflict?

bound to be conflict
can get along together without conflict
don't know

5. How difficult would you say it was for people to move from one class to another.?

Very difficult
fairly difficult
not very difficult
not at all difficult

6. Under what circumstances do you think a person could move from the working class to the middle class?

SECTION 5

1. Do you think that, at the present time, men and women have equal opportunities in employment?

(if no) in what ways do you think

No. .....

1. (contd) why do you think they are discriminated against?

2. Are there any ways in which women and men in this co-operative are treated differently?

   Why?

   Would you like to see any changes?

3. Have you in the past ever worked for a female boss?

4. Given the choice would you prefer to work for

   a man
   a woman
   neither
   no preference

SECTION 6

1. Given a chance, what would you say people were basically like?

competitive with one another	not competitive with one another
lazy	not lazy
selfish	not selfish
like to share skills and responsibilities	don't like to share skills and responsibilities

2. Do you think that, on the whole, people working in a co-operative will

   work harder
   be no different
   skive more

   than people working in an ordinary business

3. Would you say that you were more optimistic or pessimistic about people since you have worked in a co-op?

   more optimistic
   same
   less optimistic
   don't know